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Japan

Murayama Faces 'Dilemma' Over U.S. Bases

OW0912005595 Tokyo KYODO in English 0022 GMT 9 Dec 95

["News Focus" by Mie Kawashima: "Murayama Faces Dilemma Over U.S. Bases in Okinawa"]

[FBIS Transcribed Text] Tokyo, Dec. 9 KYODO — Prime Minister Tomiichi Murayama faces a dilemma dealing with both the strong wishes of the people of Okinawa to become free from the heavy U.S. military presence in their prefecture, and Japan's obligation to rent land to U.S. bases under a bilateral security alliance.

Murayama filed a lawsuit against Okinawa Gov. Masahide Ota on Thursday [7 December], demanding that he reverse his refusal to sign documents needed to force local landowners to renew leases of their land to U.S. bases.

Ota is the first governor in Japan to face such a lawsuit for refusing to execute a job ordered by the central government.

The Naha branch of the Fukuoka High Court, where the suit was filed, will hold the first hearing of the case Dec. 22.

The prime minister told Ota when they met Nov. 24 in Tokyo, "I can understand well the feeling of people in Okinawa Prefecture, as well as the wishes of the whole Japanese people."

The SDP previously backed cuts in U.S. military activities in Okinawa though its decades-long policies, but Murayama declared soon after he took power in June last year that he would support the Japan-U.S. security setup.

Before that, the SDP had opposed the military alliance with the United States, as well as the existence of Japan's Self-Defense Forces, from a pacifist point of view.

As a result, Zenshun Arakaki, chairman of the Okinawa prefectural headquarters of the SDP [Social Democratic Party], said the legal action taken by Murayama makes his blood boil.

"Recalling the history of the party, it is an action against itself," Arakaki said, adding the party's Okinawa chapter will continue to back Ota strongly.

Chief Cabinet Secretary Koken Nosaka told a press conference the government was forced to file the suit against Ota to fulfill treaty obligations, despite Okinawa residents' dissatisfaction with Tokyo for not yet responding to their calls for cuts in U.S. bases.

"Considering the amount of time that will be needed for the procedures (to renew the leases) from now on, the situation has become serious," Nosaka said.

Of the 35,000 square meters of land for which Murayama ordered Ota to sign leases in place of 35 unwilling landowners, the contract on a 226-square-meter plot at a Marine communications facility in Yomitan, north of the Okinawa capital of Naha, will expire at the end of March, Nosaka said.

It is doubtful that Ota's trial will be concluded by then, since Okinawa Prefecture has organized a team of 16 lawyers to question the constitutionality of the forced land use.

The central government argues that Ota's refusal to provide land for the U.S. military, which is a Japanese duty under bilateral security agreements, seriously damages the public interest.

The governor has indicated he has no intention of signing the necessary documents, even if ordered to by the court, leaving Murayama himself to sign the papers.

Ota told the Okinawa Prefectural Assembly he will never regret his refusal to obey Tokyo on the matter, but Nosaka, who acts as the top government spokesman, hinted he is not sure whether Tokyo will come to regret filing the lawsuit against Ota if public opinion shifts in future.

"The prime minister has clearly stated his intention to adhere to the Japan-U.S. Security Treaty, and the Japanese Government knows very well that we are under a Japan-U.S. security system. Thus, although we cannot predict what people might think five or 10 years from now...We have to (follow the treaty's terms)," Nosaka said.

The Japan-U.S. security [as received] allows the U.S. military to use Japanese land and facilities to maintain security in Japan and the Far East.

Nosaka called it a "matter of course" that Okinawa will want to bring up during the trial its people's feelings about, and problems due to, the heavy U.S. military presence.

Ota's refusal to force landowners to lease land to U.S. bases is widely backed by residents of Okinawa, who have increasingly called for a reduction in U.S. bases there following the rape of a local schoolgirl on Sept. 4, for which three U.S. servicemen are on trial.

Okinawa, about 1,600 kilometers southwest of Tokyo, is home to some 75 percent of U.S. military facilities in Japan, while the prefecture accounts only for 0.6 percent of the nation's total land.

DA Considers Moving Futenma Airfield to Naha

Details of Proposal Viewed

OW0912092795 Tokyo KYODO in English
0914 GMT 9 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 9 KYODO — The Defense Agency [DA] is considering building a new runway on reclaimed land off Naha Airport for joint use by the Self-Defense Forces (SDF) and the U.S. Military to encourage the U.S. Marine Corps to renounce the Futenma airfield in Okinawa prefecture, agency sources said Saturday [9 December].

Concurrently the Air Self-Defense Force (ASDF), the Maritime Self-Defense Force (MSDF) and the U.S. Forces could relocate their flight operations from Naha Airport to the new offshore base, making Naha an exclusively civilian airport.

The agency has been negotiating informally with the U.S. military about the return of Futenma airfield to Okinawa, but the U.S. side claims the airfield is indispensable if the U.S. Forces are to maintain its capability for emergency deployments.

The realization of the proposed offshore base would certainly make it easier for the U.S. military to give up the Futenma airfield, located in midtown Ginowan in the south of Okinawa Island, and represent a great step toward the restructuring of bases in Okinawa, the sources said.

Japan's southwesternmost prefecture, home to 75 percent of U.S. military facilities, has long demanded a reduction of the heavy U.S. military presence, demands that have grown much louder since the September rape of a local schoolgirl, which has been linked to three U.S. servicemen.

The sources said, however, that the offshore base proposal "is not yet more than an idea, since it is not known whether the estimated multibillion yen construction costs can be shouldered in view of the tight budget."

An area west of Naha Airport is seen as the strongest of several candidate sites in Okinawa for the offshore runway project, the sources said,

Still, the favored site would also pose problems. There are, for instance, doubts whether it could handle the 30,000-50,000 takeoffs and landings that military aircraft conduct every year at Futenma, given that the air space over Naha is also used by civilian aircraft.

In addition, Futenma is supervised by the U.S. Marines, whereas Naha Airport is under the control of the Transport Ministry.

Some U.S. Marines flights from Iwakuni Base, Yamaguchi Prefecture, will be relocated to a nearby 215-hectare offshore facility with a 1,000-meter runway on reclaimed land, which the Defense Facilities Administration Agency, which is in charge of allocating sites for U.S. military installations, will start building next year.

The 10-year project is expected to cost about 130 billion yen.

Sources familiar with the project argue that work on the relocation of Futenma flight operations cannot start before the Iwakuni Base is finished. "We cannot begin work on Futenma until it is incorporated into a special budget following a political decision," a source said.

Some 70 helicopters and 12 refueling aircraft of the U.S. Marine Corps are stationed at the 481.5-hectare Futenma airfield, which has a 2,740-meter runway.

DA Chief Comments

OW1012080295 Tokyo KYODO in English
0751 GMT 10 Dec 95

[FBIS Transcribed Text] Oita, Japan, Dec. 10 KYODO — Defense Agency chief Seishiro Eto said Sunday [10 December] the agency is considering building a new runway on reclaimed land off Naha Airport for joint use by the Self-Defense Forces (SDF) and the U.S. military to encourage the U.S. Marine Corps to renounce an airfield in Okinawa Prefecture.

"I want to handle a local request for shifting the Futenma (airfield) as a top priority," Eto told reporters at his home in the southwestern Japan city of Oita.

Eto said the idea of relocating offshore the Futenma airfield used by the U.S. forces has "certain concreteness."

Eto said the central government's stance of giving priority to the views of the people in Okinawa, saying, "it must not be that the national government would decide the matter."

The agency has been negotiating informally with the U.S. military about the return of Futenma airfield to Okinawa, but the U.S. side claims the airfield is indispensable if U.S. forces are to maintain its capability for emergency deployments.

The offshore base, if realized, would make it easier for the U.S. military to give up the Futenma airfield, located in midtown Ginowan in the south of Okinawa, Japan's southwesternmost prefecture, agency sources said.

Some 70 helicopters and 12 refueling aircraft of the U.S. Marine Corps are stationed at the 481.5-hectare Futenma airfield, which has a 2,740-meter runway.

Asked about the demand that the U.S. military shift the site of its exercise for firing live ammunition across Route 104, Eto said that by next summer the central government will decide on the new location and then start negotiations with the local people.

Noting that autonomies near five potential sites for such U.S. military exercises in other parts of Japan have opposed the idea of such a shift, Eto urged the local bodies concerned to cooperate with the central government.

"I hope they can show consideration for the people in Okinawa Prefecture," Eto said.

Okinawa, home to 75 percent of the U.S. military facilities in Japan, has seen a renewed outrage against the heavy U.S. military presence since the September rape of a local schoolgirl, allegedly by three U.S. servicemen.

Relocation Criticized

OW1112121495 Naha RYUKYU SHIMPO in Japanese 11 Dec 95 Morning Edition p 1

[FBIS Translated Text] On 10 December, Choko Takayama, Okinawa Prefectural Government policy coordinator, criticized a plan to relocate Futenma U.S. Marine Corps Air Station to a land reclamation site off Naha Airport. Speaking at a rally held in Ginowan City, Okinawa, in support of Okinawa Governor Masahide Ota, Takayama said: "We are seeking realignment and reduction of military bases and the return of (land used for) military bases, not their relocation."

Although Takayama noted that the prefectural government has not yet been presented with a formal proposal, he indicated the prefecture plans to demand realignment and reduction of military bases persistently: "We do not want to see the central government try to settle the matter by manipulating numbers."

Poll Shows 'Special Attention' to Bilateral Ties

OW0912042195 Tokyo YOMIURI SHIMBUN in Japanese 7 Dec 95 Morning Edition p 3

[Editorial: "Stop Ties With U.S. From Worsening"]

[FBIS Translated Text] A "warning" about the present and future of relations between Japan and the United States has been delivered by the Japanese and American people. This may encapsulate the results of the latest joint survey conducted by THE YOMIURI SHIMBUN and Gallup Organization.

The "need for special attention" to bilateral ties is conspicuously reflected in respondents' perceptions of current relations. Only 23.2 percent of Japanese, the lowest rate since the annual survey started in 1978, regarded Japan-U.S. relations as "very good" or "good." Moreover, the percentage was exceeded by he rate of Japanese who consider relations to be in a poor state (32.4 percent) for the first time.

Americans who felt relations were good accounted for just 28.5 percent, the second-lowest level since 1978, though it was not as bad as the corresponding Japanese figure.

The percentage of those who think bilateral relations are sound began to drop sharply in 1992. The trend may be attributable to changes in relations in the wake of the Cold War, but a more direct cause seems to have been trade friction.

This is seen in the pollees' responses to the question of what the other country should do to improve bilateral relations. At the top of the list for Japanese is a "change in the United States' tough stance in trade negotiations," while the largest group of American respondents said "Japan should make its trade rules and regulations more fair."

There is no denying that stable development of bilateral relations is vital, and for Japan in particular. Further efforts by both nations are needed so that strained economic relations will not adversely affect overall ties.

In the survey this time, many Japanese respondents said if better relations were to be established, Americans must better understand Japan's culture, economy, and social customs.

Such respondents are believed to have had in mind the Clinton administration's get-tough approach to Japan. Many Japanese think the administration attaches too much importance to "results." While Japan must, of course, relax regulations and make other efforts, we want the United States to further its understanding of Japan.

Although the respondents assessed Japan-U.S. relations in most fields, including economic ties, in negative terms, both Japanese and Americans expressed realistic views on security issues. Concerning the Japan-U.S. security treaty, 56.6 percent of Japanese and 62.5 percent of Americans said it was "definitely" or "maybe in their national interests" to maintain the treaty.

In Japan, 56.8 percent of respondents said the U.S. military forces deployed in Asia should be reduced. But more than half of this group felt that maintaining the bilateral security treaty was in their national interests. It is thus apparent that, at a basic level, the significance of the treaty is perceived by both Japanese and Americans.

However, some Americans think Japan should be responsible for defending itself. They are no doubt dissatisfied with the one-sided nature of the security treaty.

For the treaty to operate in an effective way, Japan should resolve the issue as to whether it has the right of collective defense. As long as this remains unclear, Japan will not be able to fully meet its responsibilities.

Streamlining and reducing the U.S. military bases in Okinawa Prefecture has become an important bilateral issue. It is time for Japan to discuss the right of collective defense, without regarding it as taboo, while at the same time endeavoring to resolve the U.S. base issue.

Minister Kono Pledges Financial Aid for Bosnia

OW1012040695 Tokyo KYODO in English
0301 GMT 10 Dec 95

[FBIS Transcribed Text] London, Dec. 10 KYODO — Foreign Minister Yohei Kono said Saturday [10 December] that Japan is ready to provide financial assistance to planned reconstruction work in war-torn Bosnia-Herzegovina.

Kono pledged Japan's help at the peace implementation conference for Bosnia, saying it is a "global problem" that the entire world should tackle.

Kono added the Japanese Government will soon send a fact-finding mission to assess local conditions in Bosnia.

He also tried to draw European attention to the issue of north korea's nuclear program, saying "there is also a global problem in the Asia-Pacific region."

The foreign minister said earlier that Japan will provide a total of 20 million dollars in aid to help refugees from the former yugoslav republic survive the winter.

It is estimated there are more than three million refugees in Bosnia.

Japan has so far donated 180 million dollars for refugees there, Japanese officials said.

Kono is scheduled to return home Monday.

MOFA Announces Staffing Plan for Sarajevo

OW1012064995 Tokyo SANKEI SHIMBUN
in Japanese 5 Dec 95 Evening Edition p 1

[FBIS Translated Text] The Ministry of Foreign Affairs [MOFA] has firmed up its plan to permanently station as early as next January one of its staff members in Sarajevo, the capital city of Bosnia-Herzegovina, which has agreed to a peace accord. This was disclosed by a senior MOFA official on 5 December. The staff member will be in charge of liaison work in the field, and he will be the first staff member to be stationed permanently in Sarajevo since the outbreak of the Bosnia dispute three and half years ago.

In the past, MOFA used to send its staff members from either the Japanese Embassy in Austria or the Former Republic of Yugoslavia to Sarajevo, normally on short tours of duty. However, since those parties involved in the Bosnia dispute have agreed to a comprehensive peace accord, Japan has indicated its policy of providing positive support for its restoration or reconstruction work and relief work for refugees, and the Japanese Government has decided that "It will be necessary to promptly set up a diplomatic base for the purpose of carrying on talks with Bosnian Government officials and for grasping the actual situation in Bosnia," (as stated by a senior MOFA official). MOFA plans to permanently station one of its staff members as early as next year after completing the procedures for opening up a liaison office, such as obtaining the government's approval. For the time being, one of the staff members of either the Embassy in Vienna or Belgrade will be dispatched there for long tours of duty. And it is hoped that this staff member will be reassigned as a permanent staff member by next spring.

In the meantime, since it has been voiced within MOFA that "It will be necessary to set up a full-scale diplomatic station in Sarajevo," (as stated by a MOFA source), a plan for setting up an embassy there has suddenly surfaced.

Public Said To Back SDF's Peacekeeping Role

OW0912085095 Tokyo KYODO in English
0822 GMT 9 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 9 KYODO — Large portions of the Japanese public surveyed support disaster-relief and international peacekeeping roles of the Self-Defense Forces (SDF), government officials said Saturday [9 December].

To research public opinion on the SDF's peacekeeping roles and relief activities in disasters such as the Jan. 17 great Hanshin earthquake, which killed more than 5,500 people in western Japan, the prime minister's office interviewed 3,000 adults throughout Japan on July 20-30, with 2,225 people or 74.2 percent responding.

According to the poll, 88.7 percent of the respondents said the defense forces' disaster relief activities were beneficial, while 8.2 percent said they were not.

The survey also revealed that 90.2 percent supported SDF relief activities following the January quake, while 7.7 percent did not.

However, 63.1 percent said the SDF should have gone to the quake site earlier, with 31.6 percent saying the arrival was quick enough.

Regarding the SDF's cleansing of sarin nerve gas after the March 20 terrorist attack on the Tokyo subway system, in which 12 people were killed, 76.6 percent supported the SDF role, but 16.1 percent did not.

Of the 1,862 respondents who had heard of the forces' peacekeeping activities in Cambodia and Mozambique, 74.8 percent said their work has been beneficial, while 18.9 percent said it has not.

Also, of the 1,657 people who had heard of the SDF's humanitarian role in Zaire, where troops provided medical support for Rwandan refugees, 76.0 percent supported the activity, with 16.6 percent opposing it.

Of the 2,225 respondents, 75.1 percent said the SDF should continue participating in such overseas activities, while 14.2 percent said they should not.

The SDF went to Cambodia, Mozambique and Zaire after the Peacekeeping Cooperation Law was enacted in June 1992 to allow the forces to join UN peacekeeping activities.

The government plans to send an SDF transport mission to the Israeli-occupied Golan Heights next February to join the UN Disengagement Observer Force and carry food and other supplies for troops from other countries.

The office has conducted similar public opinion polls on defense and SDF issues every three or four years, but the main part of the recent survey consisted of new questions on the SDF's new roles.

Chinese Activist Wins Appeal Against Deportation

OW0912035795 Tokyo KYODO in English
0322 GMT 9 Dec 95

[FBIS Transcribed Text] Osaka, Dec. 9 KYODO — An Osaka District Court judge has ordered a stay of execution of a deportation order by immigration authorities against a Chinese pro-democracy activist whose application for refugee status in Japan had earlier been refused, officials said Saturday [9 December].

Luo yi, 21, had submitted a writ claiming he was arrested in China after participating in protest demonstrations in the wake of the military crackdown on pro-democracy demonstrators in Beijing's Tiananmen Square in 1989.

Luo arrived at Kansai International Airport in July to join his brother-in-law, who is involved with the Japan-based Chinese democracy movement.

Immigration authorities refused to recognize him as a refugee, arguing that there was little concrete evidence to support his contention that he is a political exile.

But presiding judge Masaaki Fukutomi ruled that until a court makes a final ruling on whether Luo is a refugee or not, he should not be deported.

Immigration officials said they will submit an immediate appeal against the ruling.

Tokyo, Others Pledge $2.9 Billion to Philippines

OW0812151995 Tokyo KYODO in English
1045 GMT 8 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 8 KYODO — Japan and a number of other donors pledged Friday [8 December] to provide the Philippines with 2.9 billion dollars in aid to help accelerate the nation's economic and social reform, Japanese officials said.

At a just-finished two-day meeting of donors in Tokyo, Japan promised to extend some 1.6 billion dollars or more than half of the total aid package, the officials said.

The World Bank-sponsored meeting brought together officials of 19 countries and six international organizations. The donors include the United States, Germany and Australia as well as the World Bank and the Asian Development Bank.

Leak Prompts Shutdown of Monju Nuclear Reactor

Initial Accident Report

OW0812151295 Tokyo KYODO in English
1459 GMT 8 Dec 95

[FBIS Transcribed Text] Fukui, Japan, Dec. 8 KYODO — Japan's prototype fast-breeder nuclear reactor, called Monju, was shut down Friday [8 December] night after a fire alarm rang due to a cooling system problem, its operator said.

The governmental Power Reactor and Nuclear Fuel Development Corp. said it suspended the reaction manually at 9:20 P.M. after the alarm went off at 7:47 P.M. because of temperature abnormality in a sodium pipe in the secondary cooling system.

Reactor operators found a room that houses the pipe filled with white smoke which might have been caused by a reaction between leaked sodium and the air, it said.

There is no radioactive harm to the environment, it said. A sodium leak is considered a technically serious trouble for the fast-breeder reactor.

Liquid sodium serves as a coolant for the reactor.

The 280,000-kilowatt Monju in Tsuruga, in the Sea of Japan coastal prefecture of Fukui, started producing electricity in August and is slated to start full-capacity operation in June next year. It was operating at 40 percent of capacity at the time of the incident.

The construction of Japan's prototype fast-breeder reactor took about 10 years from October 1985 at a cost of some 600 billion yen.

Monju is the first reactor of its kind as it burns plutonium refined from spent fuel of conventional reactors and in the process produces more plutonium than it consumes.

More Details; Concern Voiced

OW0912151995 Tokyo KYODO in English 1508 GMT 9 Dec 95

[FBIS Transcribed Text] Fukui, Japan, Dec. 9 KYODO — Two to three tons of sodium leaked from the secondary cooling system of Japan's Monju prototype fast-breeder nuclear reactor in an accident Friday [8 November], plant operators said Saturday.

Officials with the governmental power reactor and nuclear fuel development Corp. said that the leak is believed to have occurred near piping that was repaired in 1991.

But they said only a small amount of sodium could have leaked from the repaired piping or joints connecting the steel pipes.

It will not be possible to determine where exactly the leak occurred until the solidified leaked sodium has been removed, which is expected to be accomplished Monday at the earliest, they said.

Kazuo Sato, a member of the government's Nuclear Safety Commission, which considers the accident serious, arrived at the reactor's control room around 9 P.M. and launched an investigation into the cause of the leak.

A videotape made earlier Saturday by reactor personnel in protective clothing who entered the room where the leak occurred showed that smoke caused by a reaction between sodium and water in the air had dissipated and settled as a dust-like layer on the floor.

The technicians found that a layer of solidified sodium about 30 centimeters thick had built up directly under the pipes about 2 meters from where the pipes were welded in the 1991 repairs.

The pipes are made of 1-cm-thick stainless steel and measure 55 cm in diameter. Although the piping is supposed to withstand sudden temperature changes, the repairs in 1991 became necessary after a heat experiment.

The repair might have compromised the overall evenness of the piping's strength, which compounded with higher stress during full operation could have led to the leak, the officials said.

Because the piping is covered with insulation and paneling it will take considerable time to locate the leak, they said.

Yukio Kurita, the governor of the Sea of Japan coastal prefecture of Fukui, where Monju is located, said earlier Saturday the accident "relates to the very basis of safety at Monju" and the hour's delay in informing the prefectural government is a matter of "extreme regret."

The Fukui Prefectural Administration summoned the corporation's deputy chairman, Tadayoshi Suda, to convey its concern and urge that plans to put the plant into full-fledged operation in June be delayed.

Meanwhile, opponents of the fast-breeder reactor demonstrated in Tokyo in front of the state-run Nuclear Corporation's headquarters, calling for the immediate shutdown of Monju and a thorough probe into the causes of the sodium leak.

One of the protesters, Shoji Takagi of the civic group "Stop the Monju," handed a protest statement issued by the Citizens Nuclear Information Center earlier in the day to Kazuhiro Shigemoto, head of the corporation's General Affairs Department.

The statement said the use of sodium as a coolant in such plants is their "Achilles heel" and one of the main reasons other countries have abandoned such programs.

"This accident is a final warning before the occurrence of a massive nuclear disaster," the statement said.

Takagi said the incident had proved wrong the industry's claim that a sodium leak would never occur.

"That accident was foreseeable and symbolizes the collapse of the state's nuclear power concept," Takagi said. Although protesters demanded an explanation for the delay in the announcement of the accident, the corporation refused to show them its emergency manual, citing corporation bylaws.

Technicians Search for Leak

OW0912031195 Tokyo KYODO in English 0219 GMT 9 Dec 95

[FBIS Transcribed Text] Fukui, Japan, Dec. 9 KYODO — Technicians started a thorough check Saturday [9 December] into Friday's leak of sodium from a cooling system at Japan's prototype fast-breeder nuclear reactor Monju, officials of the Governmental Power Reactor and Nuclear Fuel Development Corp. said.

Workers shut down the plant at 9:20 P.M. after the alarm went off at 7:47 P.M. because of a temperature abnormality in a sodium pipe in the secondary cooling system.

They then drained off 250 tons of liquid sodium into a tank to prevent any spread of the accident's effects.

The officials said the corporation directed the plant's chief Yasutami Omori to set up a team to handle the problem.

The team has to wait for smoke, caused by a reaction between the leaking sodium and air, to dissipate before they can enter the room housing the piping to investigate, they said.

Kazuharu Kawase, mayor of Tsuruga where the 280,000-kilowatt Monju is located in the Sea of Japan coastal prefecture of Fukui, visited the plant Saturday morning to hear an explanation of the accident from officials at the plant's central control room.

A nearby resident who operates an inn said he felt uneasy knowing the plant had not informed residents about the accident.

"I can't say anything until the results of the check are known," he said. "I can't stay here if I can't trust it."

Although a sodium leak is considered a technically serious problem for the fast-breeder reactor, the corporation insisted Friday there was no radioactive harm to the environment from the accident.

Monju started producing electricity in August and is slated to begin operating at full-capacity next June. It was operating at 40 percent of capacity at the time of the incident.

Construction of Japan's prototype fast-breeder reactor took about 10 years from October 1985 and cost 600 billion yen.

Monju is the first reactor of its kind as it burns plutonium refined from spent fuel of conventional reactors and in the process produces more plutonium than it consumes.

Sodium Removal Begins

*OW1112021595 Tokyo KYODO in English
0202 GMT 11 Dec 95*

[FBIS Transcribed Text] Fukui, Japan, Dec. 11 KYODO — The operators of Japan's prototype fast-breeder nuclear reactor began removing radioactive liquid sodium from the primary cooling system Monday [11 December] morning, three days after a sodium leak caused the reactor to be shut down.

It will take some 36 hours to remove sodium from the primary cooling system, which goes through the core of the 280,000-kilowatt reactor, called Monju, officials of the governmental Power Reactor and Nuclear Fuel Development Corp. said.

The removal of the sodium was intended to begin Sunday but the personnel at the reactor site in Tsuruga, Fukui Prefecture, on the Sea of Japan coast, needed more time to confirm the procedures with the headquarters in Tokyo, the officials said.

It is necessary to take the liquid sodium out of the primary cooling system so as to remove some 2 to 3 tons of sodium that leaked from the reactor's secondary cooling system, which goes through a heat exchanger, the officials said. The leaked sodium has solidified, they said.

The corporation plans to remove the remaining two-thirds, or some 140 tons, of liquid sodium in the pipes in the secondary cooling system, after completing removal of sodium in the primary cooling system. The operation is expected to take a day.

Liquid sodium serves as a coolant for fast-breeder nuclear reactors.

Monju started producing electricity in August and was scheduled to start full-capacity operation in June next year. It was operating at 40 percent of capacity at the time of the accident Friday night.

Government To Conduct Probe

*OW1012134395 Tokyo KYODO in English
1314 GMT 10 Dec 95*

[FBIS Transcribed Text] Fukui, Japan, Dec. 10 KYODO — The government's Nuclear Safety Commission, regarding as serious a sodium leak at Japan's fast-breeder nuclear reactor, decided at an emergency meeting Sunday [10 December] to conduct an independent investigation into the accident.

The commission's members said it is necessary that an investigation into how Friday's accident occurred in the secondary cooling system of Japan's Monju prototype fast-breeder be conducted independently from the Governmental Power and Reactor and Nuclear Fuel Development Corp. (PNC), and the Science and Technology Agency.

This is the commission's first independent probe into a nuclear accident since the Feb. 1991 nuclear accident at the Mihama reactor of Kansai Electric Power Co.

Prime Minister Tomiichi Murayama ordered science and Technology Agency Chief Yasuoki Urano to take consideration for the situation of local residents and clarify the cause of the Monju accident.

Urano, who briefed Murayama on the accident at the premier's official residence, will pay a visit Monday to the Monju reactor, which is located in Fukui Prefecture on the coast of the Sea of Japan.

Kazuo Sato, who as a commission member already inspected the accident site Saturday and Sunday, told a press conference after the emergency meeting in Tokyo that the PNC cannot immediately think of what may have caused the accident.

PNC officials said operations at the Monju site to remove leaked sodium, now solidified, as necessary to determine exactly where the leak occurred, will be delayed.

The PNC was scheduled to begin within Sunday removing liquid radioactive sodium from the first cooling system, a necessary measure for safe removal of the solidified leaked sodium.

But operators at the site need more time to confirm the procedures with the PNC headquarters in Tokyo, the officials said.

PNC officials earlier said the leakage of two to three tons of sodium from the secondary cooling system is believed to have occurred near piping that was repaired in 1991.

Meanwhile, opponents of the fast-breeder reactor demonstrated near the power plant, calling for the immediate shutdown of the Monju reactor and a thorough probe into the causes of the sodium leak.

The Monju reactor started producing electricity in August and was scheduled to begin operating at full capacity next June.

The reactor is the first of its kind to burn plutonium refined from spent fuel from conventional reactors and in the process produces more plutonium than it consumes.

Construction of Japan's prototype fast-breeder reactor took about 10 years from October 1985 at a cost of 600 billion yen.

Mishap Called 'Blow' to MITI

OW1112023195 Tokyo YOMIURI SHIMBUN in Japanese 10 Dec 95 Morning Edition p 5

[FBIS Translated Text] The leaking of sodium from the cooling system of the fast-breeder nuclear reactor "Monju" on 8 December dealt a blow to the power industry and the Agency of Natural Resources and Energy [ANRE] under the Ministry of International Trade and Industry [MITI]. This is because "the people may become alarmed over fast-breeder reactor technologies and safety regarding such technologies" (according to a senior MITI official). As a result of the incident, concerns have been voiced over a possible delay in the schedule for the planned development of a demonstration reactor to follow the "Monju."

The "Long-Term Project on the Research, Development, and Use of Atomic Energy" (Long-Term Atomic Energy Project) was revised in June 1994, envisaging a long-term, stable energy supply. The revision pushed projected target dates back by 10 years, and the construction of the first demonstration reactor to follow the "Monju" will now start in the early 2000's, and that of a commercial reactor around 2030.

Consequently, there are strong feelings that even if the "Monju" should be temporarily shut down due to the latest incident, "this is not expected to immediately affect the long-term project on developing a commercial reactor" (according to the ANRE). However, commercialization will completely depend on fully developing technologies in regard to safety, among other aspects, via working with the "Monju." Therefore, should it remain uncertain as to when the reactor will resume operations, there is strong likelihood that the nation's atomic energy project may be delayed.

The power industry and the ANRE plan "to pour utmost efforts into determining the cause of the incident and implementing measures to ensure safety." However, it is observed that public protests will inevitably intensify to a greater degree than in the past as a result of the incident. Moreover, it has become less likely that uranium fuel will be depleted, and some countries are suspicious about the possibility of Japan's developing nuclear weapons because of its persistence with developing fast-breeder reactors which use plutonium as fuel.

In regard to the latest incident, power industry officials, while saying that "no major consequences are expected," apparently cannot hide their concerns that some revisions may have to be made in the atomic energy development project in the future.

Editorial Urges Policy Review

OW1112112995 Tokyo MAINICHI SHIMBUN in Japanese 10 Dec 95 Morning Edition p 5

[Editorial: "Review of Nuclear Power Policies Urged"]

[FBIS Translated Text] Fast-breeder reactors were once called "dream reactors." Unlike conventional light-water reactors, fast- breeder reactors produce more nuclear fuel than they consume. Because of this, some people thought that fast-breeder reactors might solve the world's energy problems.

Nevertheless, the Untied States, the United Kingdom, and Germany quickly withdrew from fast-breeder reactor development because these reactors use sodium, which reacts violently with water, as a cooling material. These and other factors impeded development. France, which leads the world in terms of technology, is loosing its enthusiasm for fast-breeder reactor development.

Meanwhile, Japan continued developing a fast-breeder reactor for the reason that Japan is "poor in energy resources." In August this year, the "Monju" reactor — which is a prototype reactor that the Power Reactor and Nuclear Fuel Development Corp. (Donen) built in Tsuruga City, Fukuoka Prefecture, through a 600 billion yen outlay — succeeded in generating electricity for the first time. Monju was scheduled to start operating at full capacity next summer.

On the night of 8 December, a serious accident occurred at "Monju" in which liquid sodium used as a coolant leaked out of the secondary cooling system and set off a fire alarm.

Although there was no radiation leak, about three tons of sodium reportedly leaked out of a large-diameter main pipe. It was the first sodium leak involving Japanese fast-breeder reactors, including the experimental reactor "Joyo." Because of this, Donen's technological reliability was shaken significantly.

Moreover, local autonomies and the central government were informed of the recent accident about one hour after its occurrence. Since "Monju" uses highly toxic plutonium and sodium, which are explosive materials, rigid crisis management at the time of the accident is necessary. Therefore, the delay in conveying information left behind problems.

We hope Donen, the Science and Technology Agency, and the Nuclear Safety Commission will look deeply into the cause of the accident. It is said that the sodium leak occurred near a pipe that had been previously repaired as an improvement. However, they should study the case from various perspectives without making any assumptions. It is indispensable for us to search out similarities between this incident and cases of sodium leaks in other countries.

We hope a wide variety of information will be made available to the public during the course of investigating the cause of the accident. People in Kaga City agreed to the construction of "Monju" because they trusted Donen's explanations that "there will be no leakage of sodium or other materials." We want Donen and the government to deal sincerely with the situation in the future.

Japan, which is troubled by a shortage of natural resources, has been promoting a plutonium policy of extracting plutonium by recycling used nuclear fuel and using it in advanced thermal converter reactors, fast-breeder reactors, and light-water reactors.

Since plutonium can be used for nuclear weapons, other countries have been criticizing Japan for being the only country that is moving toward becoming a major power that possesses a large quantity of plutonium.

This summer, however, Japan called off its plan to construct an experimental advanced thermal converter reactor. The Federation of Electric Power Companies and the government gave up the plan because the reactor's power generating cost will be rather high. A portion of the plutonium utilization policy collapsed. This time, an accident happened at "Monju," which is a prospective winner under the policy.

In June last year, the government's Nuclear Power Commission approved a long-term plan for the development and utilization of nuclear power and started to follow the course of actively utilizing plutonium. Since two accidents occurred after that, Japan should promote a review of its plutonium policy and stop relying on plutonium.

The view that "Japan, which is poor in natural resources, does not need to go along with the world trend" is no longer warrantable. Let us repeat that the government should realize that we need to investigate the cause of the accident and review the nuclear power policy at the same time.

MITI Says Policy Unaffected

OW1112074595 Tokyo KYODO in English 0702 GMT 11 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 11 KYODO — The sodium leakage at the Monju fast-breeder nuclear reactor will not force changes in government nuclear energy programs, a senior official at the Ministry of International Trade and Industry [MITI] said Monday [11 December].

"The incident will not immediately affect the government's plan on plutonium use," said Tomio Tsutsumi, MITI vice minister, at a news conference.

An estimated 2 to 3 tons of liquid sodium, used as a cooling material, leaked over the weekend from the prototype fast-breeder reactor in Tsuruga, Fukui Prefecture.

"The accident was, in a way, one of those which had been predicted," Tsutsumi said. The reactor has a structure to prevent the leaked material from escaping, he added.

Under its long-term plan on the research, development and use of nuclear energy, revised in June 1994, the government expects to start constructing in the early 2000s an experimental fast-breeder reactor succeeding monju that will be put into use around 2030.

Ozawa Confirms Candidacy in NFP Election

Hata 'Perplexed'

OW1112090695 Tokyo KYODO in English 0811 GMT 11 Dec 95

[FBIS Transcribed Text] Osaka, Dec. 11 KYODO — Ichiro Ozawa, secretary general of Shinshinto (New Frontier Party), said Monday [11 December] he will run in the main opposition party's presidential race starting this weekend.

Ozawa, 53, made the announcement at a press conference in Osaka, western Japan.

"I have decided to run for the election, despite all my shortcomings as a politician, because I have received strong requests and encouragement from many Diet members, comrades, business executives and friends," Ozawa said.

Shinshinto's leadership election is expected to be a head-on clash between Ozawa and incumbent deputy party leader Tsutomu Hata. On Friday, Hata, 60, a former prime minister, declared his candidacy for the party presidency.

Ozawa's decision followed incumbent Shinshinto leader Toshiki Kaifu's announcement late Sunday night that he will not seek reelection and will support Ozawa in the race.

"I hope the candidates in the presidential election will compete by focusing on policies and the future image of the party. I have decided to pass the baton to Mr. Ozawa and not to run in the election," Kaifu, 64, told a joint press conference with Ozawa after meeting with him.

"I will take the words of the president seriously and to heart. I will do my best with a new determination," Ozawa said.

Kaifu, also a former prime minister, had previously indicated he would seek reelection with the support of Ozawa, but with Ozawa running, it has become difficult for him to secure the support of 20 Shinshinto Diet members required to file his candidacy.

Kaifu was elected the first head of Shinshinto a year ago, beating Hata.

Opposition forces formed Shinshinto in December 1994 with the aim of wresting power from the Liberal Democratic Party-dominated ruling coalition led by Prime Minister Tomiichi Murayama, head of the Social Democratic Party.

Candidates for the Shinshinto presidency have until Saturday to register and the deadline for votes by mail is Dec. 26. The outcome will be announced Dec. 28.

Under a recently adopted election rule, anybody aged 18 or older who pays 1,000 yen can vote in the presidential race.

When asked by reporters in Tokyo to comment on Ozawa's decision to run, Hata praised his rival's participation in the presidential race.

"I welcome his decision. It's good that he's running in the election because he has usually preferred to stay in the background," Hata said.

But later in a speech in Nagano, central Japan, Hata suggested a different response to Ozawa's decision.

"I'm perplexed at the decision of the secretary general, whose ally I have been for 26 years. It will be tough to fight him in the poll and I'm sorry for those supporters of mine who also support Ozawa," Hata said.

Former Prime Minister Morihiro Hosokawa, a crusader for an open election for the presidency, also welcomed Ozawa's decision.

"As an advocate of an open presidential race, I'm happy to see a man of strong influence announce his candidacy," Hosokawa told reporters.

Kaifu Expresses Backing

OW1112000895 Tokyo KYODO in English 2309 GMT 10 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 11 KYODO — Former Prime Minister Toshiki Kaifu said Sunday [10 December] night he will not seek reelection as president of Shinshinto (New Frontier Party) and will support Shinshinto Secretary General Ichiro Ozawa in the party presidential race.

In a joint press conference with Ozawa after meeting with him, Kaifu, 64, said, "I hope candidates in the presidential election will compete by focusing on policies and the future image of the party. I have decided to pass the baton to Mr. Ozawa and to give up running in the election."

The 53-year-old Ozawa said, "I will take the words of the president seriously and to heart. I will do my best with a new determination."

Ozawa is scheduled to hold a press conference in Osaka on Monday afternoon to formally announce his candidacy for the Shinshinto presidency.

The election is expected to be a head-on clash between Ozawa and Shinshinto Vice President Tsutomu Hata.

On Friday, Hata, 60, also a former premier, declared his candidacy for the presidency of Shinshinto and Ozawa announced his intention to run in the race.

Kaifu had indicated he would seek reelection with the support of Ozawa but with Ozawa running it has become different for him to secure the support of 20 Shinshinto Diet members required to file his candidacy.

Kaifu was elected as the first head of Shinshinto a year ago, beating Hata.

Opposition forces formed Shinshinto a year ago with the aim of wresting power from the Liberal Democratic Party-dominated ruling coalition led by Prime Minister Tomiichi Murayama from the Social Democratic Party.

Candidates for the Shinshinto presidency have until Saturday to register and the deadline for votes by mail is Dec. 26. The outcome will be announced Dec. 28.

Under a recently adopted election rule, anybody aged 18 or over who pays 1,000 yen can vote in the presidential race.

Ozawa Urges General Election After Budget

OW1012053895 Tokyo KYODO in English 0452 GMT 10 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 10 KYODO — The chief strategist of the main opposition Shinshinto (New Frontier Party), Ichiro Ozawa, urged Sunday [10 December] that a general election be held immediately after budget bills for fiscal 1996 pass the diet.

The current ruling coalition of the Liberal Democratic Party, the Social Democratic Party and new party sakigake have not yet received the mandate from the electorate, Ozawa said on a private Fuji television program.

"They should submit themselves to the judgment of the people (through an election)," he said, adding that the lower house should be dissolved immediately after the Diet approval next year of the budget bills for the year starting in April 1996.

Asked about his proposal of raising the consumption tax to 10 percent from the current 3 percent, Ozawa said a hike should not come until the economy regains strength and people's income starts picking up.

The consumption tax will be boosted anyway in 1997 by the current government, which pays no heed to low-income families, he said.

Ozawa said he will open the party management to rank-and-file party members by institutionalizing open forums for discussions, once every week or two, if he is elected new shinshinto head in the party's presidential election later this month.

Article Views Possibility of NFP Split

OW1012143495 Tokyo SHUKAN DAIYAMONDO in Japanese 9 Dec 95 pp 106-108

[Article by political commentator Toichi Suzuki: "New Frontier Party Rocks Hard as 'Ozawa Gets Ready To Run in Party Head Election' — His Fight With Hosokawa Can Split Up the Party"]

[FBIS Translated Text] **Signature Collection Campaign Starts It**

The time for the New Frontier Party's (NFP) publicly-held party presidential election is nearing. With the election to be formally announced on 16 December, voting will be completed by 26 December. There will be a process of checking cast votes — to see if any one has voted twice, for instance — and the results will be announced on 28 December. Insomuch as the government is set to act on and approve the draft FY96 budget during a 25 December cabinet meeting, hustle and bustle in the political town of Nagata-cho will continue to the last day of this year.

On 28 November, a group supporting Ichiro Ozawa [as party president] held its first meeting at Capitol Tokyu Hotel near the Diet building. The key members were those close to Ozawa, like NFP Election Committee Chairman Toshihiro Nikai, and NFP Deputy General Secretary Kenji Yamaoka. They numbered 19 in all, only one short of the 20 a candidate needs to be able to run in the election. Following the meeting, the participants divided up and went on a signature collection campaign for Ozawa.

One of them, a dietman, went to solicit the signature of Kiyoshi Ueda, a first-term dietman, who was formerly a member of the Japan Renewal Party [Shinseito] and was close to both Tsutomu Hata and Ozawa. The former said to Ueda: "They want to remove him from the post of party general secretary; we have no choice but to have him stand at the top."

For the past several days, in his speeches and elsewhere, Tsutomu Hata, who appears to be eager to run in the party presidential election, has made remarks suggesting reform of the current party leadership led by Toshiki Kaifu and Ozawa. Hata said: "I would like to put a stop to the existing arbitrary ways of running the party."

Ueda felt the Ozawa supporters were reacting strongly to suggestion that Ozawa be removed. Ueda quipped: "If Ozawa undertakes campaign tours, his heart will burst."

Ueda made this remark in reference to Ozawa's health condition. Awaiting the newly elected party president is the tough work load of having to tour the 300 single-seat electoral districts [to help with the election campaigns of NFP candidates]. Besides, if Ozawa runs, he will have to fight with Hata tooth and nail.

Ueda said: "For me, Mr. Hata is like my father, and Mr. Ozawa is like my mother. If they quarrel, it puts me in a difficult position. Can you not do something about this?"

The signature-solicitor replied: "There is nothing left to do. There is nothing that can be done."

Ueda said: "I would like to have time to think." And later Ueda confided to me: "I understand that Mr. Morihiro Hosokawa and Mr. Ichikawa are putting pressure on Mr. Hata to get away from Mr. Ozawa. Mr. Ozawa may be iron-armed, but I tend to think if Hosokawa and Ichikawa team up against him, he will be in a pinch [preceding word in English]."

On 29 November, the following day, the Ozawa supporters group was scheduled to hold another meeting — this time with "about 50 people" attending. But the night before, the House of Councillors was embroiled deep into the night in a debate over the issue of whether or not to "summon Daisaku Ikeda [honorary chairman of the Buddhist group Soka Gakkai] to the Diet" for questioning. The supporters put off the scheduled meeting as they feared that many dietmen, busy with the problem at the Diet, would not be able to attend.

Ozawa's move to run in the election came as a major shock to those supporting Hata. They thought he would not dare run. Even up until late November, they really doubted if he would. On 28 November, Hajime Ishii of the anti-Ozawa group said: "The campaign to have Ozawa run could be an attempt to upset Hata. Ozawa himself does not like to come out into the open. I think the general secretary post is best for him. It could be a maneuver to hold on to the general secretary post. Hosokawa thinks that way too."

He went on: "Let us think about it. If Ozawa is elected party president, the NFP will be met with a sudden death [preceding two words in English]. He gives a bad image as the party's official face. He does not like to come out into the open. So far, he has never taken part in any of the party representatives' interpellations or in the budget committee's questioning sessions in the Diet. He has always had someone else do it for him. He does not even attend party staff meetings. Such a man cannot be a party head."

On 29 November, Nikai, who is close to Ozawa, said: "Many people have come to ask me if Ozawa will run. My answer to that question is that what needs to come first is the creation of an atmosphere so that he can decide whether or not to run."

Asked about Ozawa's health problem, Nikai said: "If he leads a well-regulated life, he will be able to endure the tough work load well. To the opposing group, the party presidential election is an opportunity to crush Ozawa. I hear they are trying to force tough work schedules on presidential candidates through official election campaigns, but they cannot fool us."

The nuance of his words strongly suggested the possibility of Ozawa running in the race.

Possibility of Hosokawa Running For Presidency

"When I watch the gatherings of the Ozawa supporters' group, I get the impression that Ozawa is flurried by the move to remove him [from the party general secretary post]. In the past, in a similar situation, he would be calm, saying: 'Who wants that job? Let him have it.' But this time, he is flustered." This was what a veteran reporter covering the NFP told me. On 24 November, the existence of such a move to remove Ozawa became known. On that day, ASAHI SHIMBUN reported the following:

"Deputy NFP President Hata has firmed up his intention to run in the party presidential election and to name someone other than Ozawa as party general secretary if he gets elected."

Since last summer, a "group to hem in Ozawa" has been formed by a group of people including Yuichi Ichikawa, Hajime Funada, Hajime Ishii, Kazuo Aichi, and Hiroshi Kumagai, and led by former Prime Minister Hosokawa. What this group came up with as a tool for removing Ozawa was a new party rule that would require the holding of a public vote to elect the party president. This in fact was a system very much like a referendum participated in by supporters paying 1,000 yen fees [issenyen doyu].

This group of people thought: "One year ago [when the party started,] we, first of all, needed a general secretary. But now we have the system of electing the party president publicly. Since the elected president will name his general secretary under this sytem, we can take power away from Ozawa."

The man who contributed much to the implementation of the new rule was Kumagai. He was chief secretary to the party's Formal Rule Study Committee (chairman Moriyoshi Sato). The veteran reporter said:

"Kumagai asserted that there were three proposals — A, B, and C —, and that he had a proposal compromising these three. He said if the leadership does not accept the compromise proposal, younger dietmen will raise an uproar. He thus drove Ozawa into a position of having no choice but to swallow it."

One of the dietmen close to Ozawa said: "Everybody somehow thought that since Kumagai was involved, he would be doing it with Ozawa's understanding. Actually, Sato and Sadao Hirano were with him. We were off guard and careless."

Kumagai and Keisuke Nakanishi used to be the closest two aides to Ozawa. However, after serving as chief cabinet secretary in the Hata cabinet, he started to distance himself from Ozawa and to get close to Hata, and more recently, he is said to be very close to Hosokawa. That is how the Hosokawa-proposed system of electing a party president through a public election has come to be adopted. This Hosokawa-led group to hem in Ozawa then worked on Hata, saying: "You will be the new party president. All of us will push you. So, get rid of Ozawa if you get elected."

One of the men who participated in the persuasion work admitted: "Hata did not want to accept it initially. But in the end he did."

The two men — Hata and Ozawa — are alumni of the old Tanaka faction. They have worked together for the past some 26 years. About the same can be said of Keiwa Okuda and Kozo Watanabe. Hata is not very happy about having a bloody battle with Ozawa. But the given situation is one of "Hata fighting Ozawa."

The veteran reporter said: "Hata might quit if Ozawa comes out running. But in that case, Hosokawa will come out to run." In fact, Hosokawa has confided to Raizo Matsuno, who is acting as an adviser to him: "Ozawa might run." Hosokawa has also told him, "I will run in that case." Meanwhile, Matsuno said to me: "If it is between Ozawa and Hosokawa, it will be interesting. That will liven up the election. That will be a very good opportunity to publicize the NFP. Comparatively speaking, a match between Kaifu and Hata would not be so exciting."

Hosokawa once said to Matsuno: "The Liberal Democratic Party [LDP] elected its president through a public vote. It would be a shame if the NFP cannot do what the LDP has done. Each of the 200 NFP dietmen have a supporting body of at least 3,000 members, which means they can be turned into an organization of 600,000. If the average number of supporters in each group increases to 5,000, the organization will have 1 million. If other people who want to participate in the public election are added, the number could reach 2 million. We can expect to have many more voters than the LDP did." Hosokawa has also told Matsuno: "If I choose to run, I might get elected. But doing that would be too self-centered, so I will not run this time. But should there to be only one candidate running, then I will run to make a public election possible."

It is well known that Hosokawa received a high popularity rating even when he resigned as prime minister. Will he really run? This is boundlessly interesting.

"What Has Mr. Ozawa Done For Us?"

"At the time of the NFP presidential election a year ago, I and Seiichi Ota, who had come from the Japan Renewal Party, went to see Mr. Ozawa, and asked him to run in the party presidential election, but he only grimaced. If he runs this time, that will be really what we have waited for."

This remark was made by Hiroshi Yamamoto, who made his name as a good debater in the "Conference To Think About the Prime Minister's Qualifications." He joined the Funada group after Ota left the NFP. One must be careful here because what he said was indeed a stern criticism of Ozawa. He went on, saying: "This politician named Ozawa is a man who should be called a symbol of the 1955 political regime. He used to be right in the core of the Keisei-kai group. After Shin Kanemaru died, Ozawa took over most of the Kanemaru-style tactics and values. As long as he sits in the general secretary post, a new political system will never be possible."

Then why does Yamamoto say Ozawa should run in the presidential election? His reply was:

"For it will be a different story if he chooses to run for party presidential post or even if he gets elected. The news media will strip him to the skin. He cannot refuse a news conference, and cannot have someone else debate on his behalf. I intend to question him. I will ask him how he plans to use the political fund subsidies for the party. His replies will become his public commitments. That will be the best opportunity to crush his behind-the-scenes tactics."

Sanae Takaichi, a colleague of Yamamoto and a first-term dietman, was even more aggressive, saying:

"The main objective of holding the party presidential election this time is to replace the Kaifu-Ozawa leadership and in particular, to remove General Secretary Ozawa. Mr. Ozawa may have made efforts, but I do not see any results. First of all, the preparations for the general elections have not made progress, despite Mr. Ozawa claims. And he has not raised any funds. We, dietmen need every penny of the party fund subsidies, but Mr. Ozawa has not given us any money from them. Nor has he explained how and for what purposes the party funds have been used.

Takaichi recalled that one of her first-term colleagues had asked her: "Ms. Takaichi, you talk about removing Ozawa. Can we win in the general election that way?

Takaichi said that she replied by saying: "What has Mr. Ozawa done for us?"

Having recalled this exchange with her colleague, Takaichi went on to tell me: "Among the first-term dietmen, particularly among those who have come from the defunct Japan New Party, there are those who think we cannot fight in the election if we do not have General Secretary Ozawa. But my position is: 'He has failed to give me any campaign funds. Has he at least talked to businesses and organizations in Nara about supporting me? He has not done that either.'"

Seiichi Ota is a man who had worked with these two, Yamamoto and Takaichi, in the NFP, but has since returned to the LDP. His comment on the story that Ozawa will run in the party presidential election was:

"So far, Ozawa has acted cowardly, hiding behind the double-headed power [niju kenryoku] system. While he hid behind the closed door, he did not care, no matter how badly some people criticized him. But now it is for the public to decide whether he should come out into the open. This election will indeed be a political reform. He claims to be conservative, and has said he wants to create a neo-conservative political party. But now, at the top of that party is Kaifu, who was unable to make a single decision at the time of the Gulf war, and that party's election campaigns are dependent on the people of the old Komeito [Clean Government Party] and Soka Gakkai. That party can hardly be called a conservative party. If that party really wants to speak about being neo-conservative, it must first have someone at the top with clear ideas.

It is quite possible that Ozawa has decided to run in the election because of expectations about him [to remain in power] as well as to challenge the move to remove him. Nakanishi, who has spoken to Ozawa very recently, has confided to people around him: "This is a split." Does this remark suggest the NFP will split into two and that the two groups will fight each other? Or does this remark suggest that the presidential election will be fought either between Ozawa and Hata or between Ozawa and Hosokawa, and the loser in the race will split the party? Asked to give his view on this question, Nikai replied: "Given the new single-seat electoral district system, there cannot be a division of the party." But Watanabe, chairman of the party's Policy Affairs Council, sighed, saying: "The NFP could be headed for collapse." The public election of the party's presidential post is forcing the NFP to choose one of two crises — reform or collapse.

Shinshinto Fortunes 'Ebbing' at First Anniversary

*OW1012040795 Tokyo KYODO in English
0402 GMT 10 Dec 95*

[FBIS Transcribed Text] Tokyo, Dec. 10 KYODO — Shinshinto (New Frontier Party) marked the first anniversary of its founding Sunday [10 December] amid ebbing political moxie and burgeoning skepticism about the future as Japan's leading opposition party.

Surmounting the innate weakness due to its origin of a hodgepodge of a wide spectrum of noncommunist opposition parties is essential for the urgently required metamorphosis of the party into a viable political rival to the ruling coalition.

The party is rapidly losing the gravity that first pasted the nine Diet blocs one year ago to form a grand coalition to pose a threat to the three-party ruling alliance.

As a step for engendering the necessary staying power, the party will officially start an open election of the party head this weekend.

But many political pundits believe the presidential poll will further widen the hiatus among the key figures in the party — current party head and former prime minister toshiki kaifu, shrewd wheeler-dealer and high-handed strategist ichiro ozawa, and tsutomu hata, who served briefly as prime minister last year at the head of a minority government.

The principal target of flak from the ruling camp is shinshinto's strong ties with soka gakkai, a lay buddhist organization with a powerful election machine.

Soka gakkai's sway on the party through its vote-gathering power has been used by the ruling coalition to stigmatize shinshinto during recent Diet debate over bills to revise a law regulating religious organizations.

the party will have to cleanse itself of the image of being controlled by soka gakkai's publicity-shying supreme leader, daisaku ikeda, in order to become a "national party," political analysts say.

Kaifu issued a statement to commemorate the anniversary, reaffirming the party's determination to replace the also enfeebled coalition government of prime minister tomiichi murayama.

But a senior party official voiced concern about the party's fate, saying, "we will be a goner unless the general election is held by the end of the next year."

The regular Diet session that starts in January will be a crucial test for the party's staying power.

If shinshinto fails to force Murayama to dissolve the House of Representatives for a snap poll, the party will rapidly lose its momentum, analysts say.

The party leadership hopes the party head election, which is open to the public, will help it reclaim the spotlight, in particular with the candidacy of ozawa, who has long been an eminence grise.

The party will choose the new party leader Dec. 28 and form a "cabinet for tomorrow" in a party convention in January.

The party plans to draw up a new policy platform at the convention to make clear the policy targets for a renewed attack against the ruling alliance.

The new party head, however, will undoubtedly face a hard task of consolidating the differing groups within the party, which is no more monolithic than the ruling coalition comprising both conservative and leftist lawmakers.

Murayama Reportedly Urges Hashimoto To Remain

OW0912034795 Tokyo MAINICHI SHIMBUN in Japanese 8 Dec 95 Morning Edition p 2

[FBIS Translated Text] Several senior ruling party members disclosed on 7 December that Ryutaro Hashimoto, Liberal Democratic Party [LDP] president (as well as deputy prime minister and International Trade and Industry minister), met with Prime Minister Tomiichi Murayama on 5 December. They reportedly exchanged views on the suggestion made by influential LDP member Seiroku Kajiyama that urged "Hashimoto to resign his post as a cabinet member in order to concentrate on party affairs." Reportedly, Hashimoto accepted Murayama's request that "he remain in the Cabinet."

In the meeting, Hashimoto informed Murayama of Kajiyama's proposal, suggesting the possibility of "Hashimoto becoming a minister without portfolio." However, Murayama strongly persuaded him to stay in office, saying, "Three ruling party leaders should join the cabinet to manage the coalition administration." As a result, it appears that Hashimoto decided to remain in the cabinet.

Ministers Agree Funds Needed for Housing Lenders

OW0812135695 Tokyo KYODO in English 0951 GMT 8 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 8 KYODO — Finance Minister Masayoshi Takemura said Friday [8 December] he and the agriculture minister have agreed on the need to use fiscal funds for the disposal of ailing housing loan companies.

But the ministers failed to reach consensus over a specific burden-sharing ratio between two creditor groups for the write-off of expected losses stemming from the liquidation, Takemura said.

Takemura was meeting reporters at a Tokyo hotel after holding talks with Agriculture, Forestry and Fisheries Minister Hosei Norota over how to devise a framework to clear up the bad loan hangover at seven of Japan's eight housing loan companies.

The two ministers also agreed to create a loan-recovering vehicle in connection with the liquidation scheme, Takemura said.

He said the two ministries will work on the scheme in line with a set of guidelines mapped out recently by the ruling coalition.

A policy coordination team of the three-party coalition issued the guidelines last week, calling on the two ministries to come up with a solution by the end of this week.

Banks that founded the housing lenders are feuding with their biggest creditors, agricultural financial institutions, over how to share the financial burden of the lenders' liquidation.

The agriculture ministry is said to favor the farm financial bodies in the argument, while the finance ministry is tilting toward the founding banks.

The Takemura-Norota meeting was the first major effort by the ministers to break the long-standing deadlock.

Earlier in the day at separate press conferences, Takemura and Norota acknowledged that it will be almost impossible to reach a consensus by the weekend.

Instead, Norota said a solution will not be found until after the middle of December.

BOJ To Provide Funds

OW0912102895 Tokyo KYODO in English 0945 GMT 9 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 9 KYODO — The Finance Ministry and the Bank of Japan (BOJ) plan to use central bank funds for the liquidation of seven heavily indebted housing loan companies, government sources said Saturday [9 December].

Technically, the sources said, the BOJ will put funds into a special account to be opened at Deposit Insurance Corp., which will then transfer the money to a new institution to be inaugurated to purchase bad loans held by the mortgage lenders.

The central bank loans to Deposit Insurance Corp. will be guaranteed by the government, and public funds will be used to make up for losses incurred by the new institution in the process of retrieving bad claims, the sources said.

The maximum limit to government loan guarantees will be set in the initial budget for fiscal 1996, which begins April 1, they said.

The new institution will be established with about 200-300 billion yen contributed by Deposit Insurance Corp., the commercial banks that founded the housing loan companies and other private financial companies, they said.

Of the 6.2 trillion yen combined loss at the seven mortgage lenders, the founding banks will write off 3.6 trillion yen, while the remaining 2.6 trillion yen will be shared by financial institutions affiliated with agricultural groups and other banks, the sources said.

The Finance Ministry and the Ministry of Agriculture, Forestry and Fisheries are divided over the burden to be shared by the farm- affiliated institutions.

The agriculture ministry is seeking to have farm groups shoulder less than 1 trillion yen, while the Finance Ministry wants them to account for 1-1.5 trillion yen, the sources said.

The Finance Ministry plans to use 4.5 trillion yen of the 5.5 trillion yen loaned to the housing loan companies by the farm institutions and 2.3 trillion yen in loans from commercial banks as low-interest financing to the new institution to help it recover bad debts, the sources said.

Panel: Bailout 'Unavoidable'

OW0812143795 Tokyo KYODO in English 1246 GMT 8 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 8 KYODO — A government panel is leaning toward a consensus that the use of taxpayers' money to cover liquidation costs for collapsed financial institutions is unavoidable as a last resort, Finance Ministry officials said Friday [8 December].

At its meeting Friday, most members of a subcommittee of the Financial System Research Council shared the view that if uncovered deposits remain after maximum efforts under the existing deposit insurance system, public funds could be introduced for the sake of maintaining the stability of Japan's financial system, the officials said.

But the members took a cautious stance on the use of public money to cover losses stemming from the planned liquidation of housing loan companies saddled with a heavy load of problem loans, they said.

The council is an advisory body to the finance minister and the subcommittee has been discussing measures to stabilize Japan's financial system, which has been shaken by a series of failed financial institutions.

Subcommittee members supported the ministry's plans to make Tokyo Kyodou Bank, the institution created to take over the operations of two failed credit cooperatives in Tokyo, into a Japanese version of the U.S. Resolution Trust Corp. (RTC) to deal with other collapsed institutions, the officials said.

Some members said the Japanese RTC should have powerful loan recovery functions and it is necessary to improve the market environment to facilitate the securitization of loans, they said.

At Friday's meeting, the secretariat of the council presented its estimate that Deposit Insurance Corp. must raise premiums by six to eight times from current levels to cover potential liquidation costs of bankrupt financial institutions over five years, the officials said.

The estimated premium hike covers ordinary premiums and premiums on the proposed special fund in the deposit insurance system to cope with failed financial institutions, they said.

The secretariat made the estimate on the assumption the deposit insurance system will have sufficient fund resources to offset liquidation costs matching those of recent years, they said.

In recent years, liquidations costs stemming from failed financial institutions total 2 to 2.5 trillion yen, including those of Kizu Credit Union, which collapsed in August, the officials said.

Panel 'To Dodge' Landholding Tax Amendment

OW0812131195 Tokyo KYODO in English
1225 GMT 8 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 8 KYODO — The government's tax commission is moving to dodge a drastic amendment to the controversial landholding tax, reflecting lingering differences in key points of the issue.

Drastic overhaul of the land taxation is unlikely to be included in the fiscal 1996 tax reform, said Kan Kato, chairman of the advisory body to the prime minister, at a news conference Friday [8 December].

Appearing after the panel's plenary session, Kato told reporters that fundamental discussions are needed on the definition of the landholding tax, or a national tax on holdings of land, and the fixed assets tax, or a municipal tax on holdings of real estate.

"There is no common understanding yet on the character of the fixed assets tax in connection with the landholding tax... [ellipses as received] We want to have further discussions on the issue," Kato said.

Kato, however, suggested the fixed assets tax rate may be pegged for next fiscal year even though the present system requires gradual burden increases in the tax, saying, "Slight adjustment is possible under the current framework" in a way to prop up the sagging economy.

Kato also indicated the rate of the landholding tax may be cut while expanding its taxable base.

Such a step is also within "slight adjustment," he said.

Further study is needed on the relationship between national and municipal taxes, including whether the two land-related taxes involve double taxation, Kato said.

The commission plans to compile a set of recommendations for next year's tax reform by Dec. 15. Through another round of discussions slated for next Tuesday.

The commission will draw up the recommendation package from a longer-term point of view to make it consistent with a report of proposals for the medium-term tax reform the panel plans to compile by around next summer, Kato said.

The recommendations will refer to a continuation of special income tax cut and a reform of beneficial measures for collecting the consumption tax as urgent issues, Kato said.

Meanwhile, a senior official of the government suggested the rate of the landholding tax should be cut to 0.1 percent from the present 0.3 percent.

"Being discussed are scrapping the tax or keeping a 0.3 percent rate. But even a 0.2 percent rate is not enough to feel a reduction," the official said on condition of anonymity.

Within the ruling coalition, the Liberal Democratic Party has urged a "freeze" of the tax or not collecting the tax for a certain period, while the Social Democratic Party has called for maintaining the tax at the current level.

A task force of the ruling coalition is also in the process of mapping out its tax reform policies for fiscal 1996 with a target deadline of Dec. 15.

The ruling coalition's policies will be reflected in the tax commission's recommendations.

The landholding tax was introduced in 1992 to halt sharp rises in land prices during the speculative bubble economy in the late 1980s.

At present, a 0.3 percent tax is imposed on landholding valued at more than 1 billion yen for corporations and 1.5 billion yen for individuals or smaller companies. Only about 1 percent of Japanese companies are subject to the tax.

Diet Enacts Revised 1951 Religious Law

OW0812051195 Tokyo KYODO in English
0235 GMT 8 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 8 KYODO — The House of Councillors on Friday [8 December] passed a government-proposed bill designed to more closely monitor religious groups following a series of crimes allegedly committed by the Aum Shinrikyo religious cult.

The bill revising the 1951 Religious Corporation Law was passed on the strength of the majority held by the ruling coalition, which was joined by the Japanese Communist Party.

The ruling coalition is comprised of the Liberal Democratic Party (LDP), the Social Democratic Party and New Party Sakigake [Harbinger].

Members of Shinshinto (New Frontier Party) and the Komei party opposed the bill, calling it an "infringement on freedom of beliefs."

The revised law gives jurisdiction to the education minister, rather than prefectural governors, over religious groups that operate in more than one prefecture and requires that religious groups report details of their financial affairs to the authorities.

The revisions also recognize that authorities can demand a report from a religious group if there are some doubts about its status.

The revisions are the first to the law since it was promulgated in 1951.

The bill, the major focus of the current Diet session continuing through Dec. 15, was submitted following a series of crimes allegedly committed by Aum Shinrikyo, including the deadly sarin nerve gas attack on the Tokyo subway system in March.

Aum Shinrikyo is believed to have taken advantage of its status as a religious organization to avoid scrutiny of its activities and amass a sizeable fortune under favorable tax laws.

Some analysts say the LDP pressed for the enactment of the bill since it suspects the nation's largest Buddhist lay organization, Soka Gakkai, brought victory to Shinshinto in the July upper house poll as a behind-the-scenes power.

When the LDP demanded that Daisaku Ikeda, Soka Gakkai's honorary president and de facto paramount leader, be summoned for questioning before the Upper House special panel, Diet business fell into turmoil.

Shinshinto forced the LDP to accept testimony by Soka Gakkai's president and nominal leader Einosuke Akiya in place of Ikeda as one of six unsworn witnesses Monday.

Akiya, blasting the bill as "threatening the freedom of belief," said the bill is a result of the coalition's strategy to win a general election.

The House of Representatives passed the bill Nov. 13 when the current Diet session was originally scheduled to end and voted to extend the session by 32 days.

Ex-Vice Education Chief Guilty in Recruit Case

*OW0812140895 Tokyo KYODO in English
1121 GMT 8 Dec 95*

[FBIS Transcribed Text] Tokyo, Dec. 8 KYODO — Former Vice Education Minister Kunio Takaishi and two other persons were given suspended sentences for bribery Friday [8 December] in the stocks-for-favors scandal involving job information conglomerate Recruit Co. in the 1980s.

The Tokyo District Court sentenced Takaishi to two years' imprisonment, suspended for two years, and fined him 22.7 million yen for accepting 10,000 shares of Recruit Cosmos Co., the real estate arm of Recruit, in September 1986 in exchange for political favors.

Presiding Judge Yoshimasa Kawabe said Takaishi received the shares in return for helping some Recruit officials, including Hiromasa Ezoe, 59, then Recruit chairman, being chosen as members of the ministry's various advisory councils.

Takaishi's bribery, the judge said, undermined public confidence in the Education Ministry.

Hisahiko Hasegawa, 62, who was an executive of Nippon Telegraph and Telephone Corp. (NTT) when he took the bribes, was also given a suspended two-year jail term and ordered a fine of 22.7 million yen, for receiving the same amount of shares as Takaishi.

Hiroshi Kobayashi, 50, who was president of a finance company affiliated with Recruit and passed the Recruit Cosmos shares to both Takaishi and Hasegawa, got a sentence of one year in prison, suspended for two years.

The court rejected the prosecutors' charges that Takaishi neglected to do his duty by failing to give administrative guidance to Recruit when it became known that the company had been gathering lists of students' names through schoolteachers.

"It cannot be admitted that there were circumstances at that time for him to consider such administrative guidance," Kawabe said.

Prosecutors had demanded that Takaishi be sentenced to 30 months in prison and fined 22.7 million yen, the same as the profit he made from the sales of his Recruit Cosmos shares after they went on the market.

Takaishi appealed the court ruling later in the day.

Throughout the trial that began six years ago, both Takaishi and Hasegawa denied the charges, saying they thought they were receiving the shares as ordinary stock deals.

Kobayashi denied that the shares were given as bribes.

Former NTT Chairman Hisashi Shinto and former NTT executive Ei Shikiba have been tried and found guilty in the Recruit case.

A number of politicians and senior government officials received Recruit Cosmos shares before they were publicly offered in October 1986 and their price soared.

After the case surfaced in 1988, a total of 12 people were indicted, leading to the collapse of the cabinet of Prime Minister Noboru Takeshita in June 1989.

Friday's sentences brought the number of those found guilty in the bribery case to eight, while two other people, including former Chief Cabinet Secretary Takao Fujinami, were acquitted.

The trials of Ezoe, the central figure in the bribery scandal, and Toshihiro Ono, a former secretary to Ezoe, are still going on.

Minister 'Strongly' Criticizes Rice Decision

OW1012124995 Tokyo MAINICHI SHIMBUN in Japanese 10 Dec Morning Edition p 2

[FBIS Translated Text] On 9 December, at National Land Agency Director General Tadamori Oshima's inaugural party held in Aomori City, Hosei Norota, agriculture, forestry, and fisheries minister, made a speech, saying: "We must increase Japan's self-sufficiency in rice production. People should never buy the rice that comes from other countries in large quantities. We must attend (negotiations with any) international trade organization with the resolve that Japan will be self-sufficient in its rice supply." In this way, he stressed a view against the complete liberalization of rice imports. Saying: "It is the Hosokawa administration and New Frontier Party members who approved of rice liberalization," Norota strongly criticized the former Hosokawa administration's decision to accept a partial liberalization of rice imports.

LDP Officer Urges Supplementary Budget

OW0912070695 Tokyo KYODO in English 0637 GMT 9 Dec 95

[FBIS Transcribed Text] Aomori, Japan, Dec. 9 KYODO — The head of the Liberal Democratic Party (LDP)'s Policy Affairs Research Council called Saturday [9 December] for a third supplementary budget for this fiscal year to shore up the stagnant economy.

Taku Yamasaki, a legislator in the largest force in the three-party ruling coalition, told reporters in this northen Japan city that the government should submit the extra budget to the Diet's regular session early next year.

Yamasaki said the extra budget would be aimed mainly at making up for an estimated 3 trillion yen tax-revenue shortfall but it should also include further pump-priming measures.

Agreement Reached on Microchip Development

OW1012233595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Dec 95 Evening Edition p 1

[FBIS Translated Text] Cooperation between leading Japanese, U.S., and European research institutions will begin in the field of next-generation semiconductor manufacturing technology. Four institutions — Tohoku University; Sematech and Sandia National Institutions of the United States; and the Interuniversity Microelectronics Center, which is a joint research institution of Belgium universities — agreed to promote research cooperation in wide-ranging areas. It will be the first case of cooperation among developed countries aimed at establishing a new semiconductor production system, which requires a large amount of investment.

Cooperation will focus on the area of developing technology to keep semiconductor manufacturing equipment and materials free of dust particles. The know-how is already under separate development called "ultra clean technology" and "contamination-free technology" at Tohoku University and Samatech and Sandia Institutions respectively. The technology will be used to remove virtually all dust particles and contaminants from a clean room. It is said that a new scientific analytic and control technology is indispensable for the creation of such an environment.

The research institutions will exchange test data and improve a program of mutually acceptable research staffs. For example, they are studying the possibility of utilizing an advanced computer simulation technology, which Sandia Institution has developed for nuclear weapons research, for semiconductor production process assessment.

New manufacturing equipment capable of performing almost all production processes will be needed as the basic diameter of silicon wafers shifts from the current 8 inches to 12 inches in 2000 or thereafter. People concerned strongly expect that they can develop such manufacturing technology through international cooperation and reduce research and development costs.

Defense Agency To Develop Light-Weight Tanks

OW1012233695 Tokyo YOMIURI SHIMBUN in Japanese 8 Dec 95 Morning Edition p 3

[FBIS Translated Text] In a bid to introduce new lightweight tanks in the Ground Self-Defense Forces [SDF], the Defense Agency [DA] decided on 7 December to incorporate in the new Midterm Defense Buildup Program [MDBP] its decision to conduct research aimed at improving tanks' efficiency.

The present main force Model-90 tanks, which weigh about 50 tons, are too heavy to be used by divisions stationed on the mainland and in Kyushu. In addition, it is difficult for the DA to procure more tanks because of the high price, about 1 billion yen each. In line with the new defense program outline's slogan "Scale down [the SDF]," the DA will develop the new model for the following purposes: 1) Reducing its weight; 2) strengthening its mobility; and 3) lowering the production cost. It will be the fourth generation of Ground SDF-developed tanks, following the Model-61, Model-74, and Model-90.

The DA said that it will take about 10 years to develop the new model. It is seeking to spell out its decision on launching the development in the MDBP, and to introduce the new model under the next MDBP starting in 2001. The DA is considering introducing about 150 units to replace Model-61 and Model-74 tanks that are currently being used by divisions on the mainland and in Kyushu.

Idea of Finance Ministry Breakup Surfacing

OW0812133495 Tokyo AERA in Japanese 4 Dec 95 pp 17-19

[Article by Yosuke Iso, AERA Editorial Board: "Views That the Ministry of Finance Should Be Dissolved Are Surfacing Rapidly"]

[FBIS Translated Text] After passing the difficult examination, I became an administrative official at long last. I had great ambitions. However, when you work in a government office, you find your ambition withering away.

Even if you draw up a bill which you think will benefit the nation, it will be mutilated through negotiations with each ministry. The budget distribution is under the strict control of Diet cliques or budget examiners in the Ministry of Finance [MOF]. This may have something to do with the environment in which it was difficult to implement new policies due to stagnant tax revenues. "Every bureaucrat may feel there is no way to get out of the present fix."

This is what Secretary Toichiro Ikeda, 34, nearly six-feet tall, said while sitting stiffly on a sofa in a room of the Lower House Hall.

He entered the Ministry of Labor in 1986 after graduating from the University of Tokyo's Medical Department. He was temporarily transferred to the MOF as secretary to then Finance Minister Hirohisa Fujii, who is Ikeda's senior at Tokyo University's baseball club. Ikeda resigned from the MOF last year to run for the Diet. He is busy working as a secretary to Dietman Fujii and, at the same time, he is preparing to run as the New Frontier Party candidate in the next general election in Kanagawa's new 15th electoral district.

Number of New Frontier Party Candidates Are Increasing

With the disclosure about the corruption of MOF bureaucrats triggered by the disorderly management at Tokyo Kyowa Credit Union and Anzen Credit Union, as well as with the heightened criticism of the MOF provoked by the jusen issue, the Daiwa Bank incident, and others, the shifting of young MOF bureaucrats to the political world is conspicuous. It looks as if rats are abandoning a sinking ship.

Mr. Shigeyuki Goto, 34, who served in the Tax Bureau's Second Tax Division, decided to run as a New Frontier Party candidate for a Diet seat in Nagano Prefecture, the birthplace of former Prime Minister Tsutomu Hata.

He said, "I was not dissatisfied with the MOF. However, nothing can be done under the coalition government of the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ], and Harbinger. It is necessary to discuss policy."

Mr. Katsunobu Kato, 40, who in late September resigned as planning officer of the Minister's Secretariat, is a son-in-law of Mr. Mutsuki Kato, the former agriculture minister. He is expected to succeed his father-in-law.

He said, "It looks as if the MOF were made a scapegoat. It is true that the MOF cannot take a long-term view, because it is driven by the daily decisions of its affairs."

Mr. Masafumi Ikenobo, 34, an assistant division chief at the Customs and Tariff Bureau, and Mr. Yoshitake Masuhara, 50, a finance director in the Tokai area, are expected to run for the Diet as New Frontier Party candidates in Saitama Prefecture and Hiroshima Prefecture respectively.

It is not rare for MOF bureaucrats to become politicians. However, it is a little unusual for such a large number of them to run for the Diet as opposition candidates.

People with ties to the political sphere explain, "The New Frontier Party, unable to find suitable candidates in local districts, may have wanted MOF brands."

However, the day may soon come when the gold-lettered signboard "old MOF boys" has to change to "old finance agency boys" or "old budget agency boys." Will it be possible to produce such a large of candidates then?

Much of the international criticism of the MOF has been provoked by the Daiwa Bank affair.

Yoshimasa Nishimura, the director general of the Banking Bureau who was told about the "affair" by former Daiwa Bank president Akira Fujita at Daiwa Bank's dormitory on 8 August, did not report the matter to U.S. financial authorities for 40 days. For this reason, at a public hearing of the U.S. House Banking Committee held late in October, the MOF's closed-door administration was severely censured for attempting to dispose of the matter privately.

One securities analyst laughingly said, "The word 'coverup' has become a synonym for the MOF's financial administration."

U.S. financial authorities dealt severely with Daiwa Bank by ordering its complete withdrawal from the

United States. People in the financial world think that behind such heavy punishment "there is evidently a warning to the MOF."

Revenues and Expenditures Should Be Separated

A plan to reorganize the MOF is rapidly surfacing within the ruling parties. The plan is to establish a "finance agency" by separating the Banking Bureau, the Securities Bureau, and International Finance Bureau from the MOF; and a "finance, securities and exchange oversight organization" by combining the Securities and Exchange Oversight Commission with the Banking Bureau.

Koetsu Aizawa, chief researcher at the Japan Securities Research Institute, just published "Invoking Article 25 of the Bank of Japan Act" from CHUO KORON. The researcher calls for a finance agency, saying, "We no longer need bureaucrats to distribute posts. We urgently need to train 1,000 to 2,000 professional inspectors who are well versed in finance."

Shoichi Royama, a professor at Osaka University who serves as a member of the MOF's Securities and Exchange Council, points out, "We should drastically change Japan's financial administration from the one that protects financial institutions to one that properly controls the nation's assets."

Takashi Kaiho, president of Daiwa Bank, held a news conference immediately after receiving the order to completely withdraw from the United States. He assumed a defiant attitude, saying, "Our bank is the only one suffering," despite the fact that it incurred a colossal loss of 110 billion yen.

However, Professor Royama says that "the loss should have been the interest or dividends depositors or stockholders were supposed to receive, and that a bank's function is to serve as a mere intermediary of funds."

The reason banks take such an attitude is that for many years the MOF has promoted a policy of protecting financial institutions, not depositors.

What the nation must want is services that take the trouble to collectively control individual property.

In addition to bank deposits, there are postal deposits, securities, investment trust, and property. However, bank deposits are controlled by the Ministry of Posts and Telecommunications; agricultural financial institutions that keep farmers' funds are controlled by the Ministry of Agriculture, Forestry and Fisheries; and commodity futures are controlled by the Ministry of International Trade and Industry. Thus, the supervisory administration agencies differ according to the financial service.

Professor Royama insists: "We should not only separate the banking and securities bureaus from the MOF, but we should also consolidate all the financial business controlled by other ministries and agencies. We should also establish an administrative committee, such as a 'finance, securities and exchange oversight organization' [tentative name] to properly control private property."

He adds: "For this purpose, it is necessary to establish an advisory organ under the prime minister's direct control, and to make such a group consolidate opinions in a short period, instead of making the Financial System Research Committee, an advisory organ to the finance minister, discuss things during spare moments."

There is a deeply held opinion that financial business should be removed from the MOF and that the function of compiling budgets, said to be the MOF's source of power, should be transferred to the prime minister's official residence. Naoto Kan, Harbinger's policy research council chairman, says, "There are limits to the present practice of each ministry compiling budgets that are aligned. Therefore, the finance minister has to issue a financial crisis declaration."

The New Frontier Party, which proposes abolishing the Economic Planning Agency by unifying it with the MOF as part of administrative reform, says, "If the agency is unified with the MOF, it will only aggrandize the MOF. From now on, we are going to examine how we should divide the MOF."

There is an argument to "separate revenues and expenditures" to establish a revenue agency by unifying the Economic Planning Agency, which forecasts from an economic perspective, with the Tax Bureau, and to separate revenues from expenditures. Discussions are likely to be based on this argument.

There is also an opinion that the National Tax Administration Agency, the MOF's external bureau that is another source of power for the MOF, should be completely separated from the MOF.

Decentralization Is the Only Alternative

It looks as if the MOF were bombarded with arguments for its breakup.

Kazuo Yahata, a counselor of the Director General's Secretariat at the National Land Agency who often appears on television because of his crisp manner of refuting the criticisms heaped on bureaucrats, recognizes the MOF's special characteristics by saying, "In Japan the MOF's Budget Bureau has the dominant voice, but it is rare to see such a phenomenon in European countries or in the United States."

Naturally, the MOF is strengthening its sense of crises under such circumstances.

Kyosuke Shinozawa, the MOF's administrative vice minister, refuted this at a news conference, saying, "We are promoting better mutual understanding under our present organization." He offers considerable resistance to the MOF's breakup.

Takamitsu Sawa, chief of Kyoto University's Economics Research Institute, points out more severely, "The breakup of the MOF is not enough to destroy the stainless steel triangle — bureaucrats, politicians, and the business world — that resists rust better than the iron triangle."

He further says, "There is no alternative but to promote decentralization by eroding the power of the Kasumigaseki [bureaucratic or government circles] in general. This is the best way to stimulate stagnant domestic demand and realize the nation's affluence."

Horishi Kato, president of the Chiba University of Commerce, criticizes, "It is a lack of imagination to call for the breakup of the MOF." Mr. Kato is chief of the government's Tax Commission.

He adds in a clear tone, "Government agencies, including the MOF, should not meddle in areas where the market mechanism works. There is no need for a banking or securities bureau, to say nothing of a finance agency."

He continues, "The administration tries to start up oversight immediately after making rules, which is essentially the judiciary's duty."

It seems that the idea that the MOF and Kasumigaseki have become a hindrance to the nation's affluence is becoming a common perception.

Effects of Declining Interest Rates Viewed

952A0795A Tokyo SHUKAN DAIYAMONDO in Japanese 26 Aug 95 pp 90-94

[Article by Masakazu Tamori: "A Post-Bubble Environment Forces Japanese To Reexamine Their Protectiveness Toward Their Assets and Inspires Investment Which Seriously Considers Risks and Profits"]

[FBIS Translated Text] For the last several years, while the yen has appreciated in value, Japan has also seen a "triple drop" in prices on the real estate, stock and bond markets, as well as new "record lows" in the interest rates offered by financial institutions on their financial products.

Establishing a new record low, the official discount rate, which was 6 percent in 1990, fell to 1 percent on 14 April, followed by a drop in interest rates on large, fixed-deposit accounts to well below the 1 percent level. Interest on regular bank savings accounts, at 0.1 percent, have virtually fallen to zero. The days when "wides" (interest-bearing bank debentures) were yielding an interest close to 10 percent and investors were forming lines in front of long-term credit banks seem like a distant dream.

From this year into next year, the financial products of this high-interest period will generally be coming to maturity.

How to invest their cash assets soundly is an important question not only for those who own these high-interest products that are about to mature but also for each and every Japanese.

According to the "1994 Public Opinion Survey on Savings and Consumer Spending," a poll taken by the Central Information Committee on Savings, for all families with savings, the average savings per household was 13 million yen.

How, then, in this age of super-low interest rates, should "the world's top savings-oriented nation" invest and manage its assets?

The aftereffects of the bubble economy, which are still being felt today, are responsible for bringing on these super-low interest rates.

The sudden collapse of the bubble economy invited asset deflation, and the latent profits which companies and individuals had amassed over the years vanished like froth on the sea. As a result, companies have had to cut back on new investments in plants and equipment and individuals have cut back on their spending, slowing business growth to a sluggish pace.

Business trends are not the only reason funds that might have been invested in plants and equipment or in consumer products have dried up.

Gasping for breath under the burden of repaying high-interest loans taken out during the bubble period, companies and individuals are in no position to put their money into investments or consumer purchases.

Nor are financial institutions the only ones who are saddled with bad loans. Individuals and general investors who purchased stock, real estate, golf club membership rights, variable insurance policies, etc. are also suffering under the weight of loan repayments and a drop in the value of their assets (collateral).

There are also psychological reasons. Among those who were not "burned" by bubble period investments, there is a tendency now to hold back on investments. They see a savings account, in which their principal is secure, as a safer bet. "It can't be helped," they say, referring to the low interest rates they are getting.

Japanese Leave Asset Management to Others to Shocking Degree

In the survey just mentioned, 33.3 percent of those polled said that they "choose fixed-interest rates regardless of the financial or economic situation" and 16.4 percent said they "choose products recommended by others." According to the poll, the majority of Japanese (56.1 percent) also had "no intention of changing [financial] institutions because of their interest rates." Most of those who said they would consider transferring their funds will do so only on condition that they will be getting an interest rate which is at least 1 percent higher.

These are shocking figures.

Shocking because they indicate how conservative Japanese investors are and the degree to which they leave the management of their assets to others.

More disturbances such as the kind Cosmo Credit Corp., a [Tokyo-based] credit union known for its high-interest commercial practices, recently caused in the financial world are likely to be repeated time and again, according to observers. But such incidents are no reason for investors to quit looking and settle for low interest rates. When investors find themselves in a period of super-low interest rates, they need an appropriate strategy to deal with such times; otherwise, instead of having their assets work for them, they will end up holding on to a white elephant [which they can only sell at a loss].

Fundamental to this strategy is the idea of avoiding financial instruments (long-term government bonds, interest-bearing bank debentures [commonly called "wides"], etc.) that bear long-term fixed-interest rates amd investing, for the time at least, in instruments that meet the three following criteria:

1. They have a high degree of liquidity (the investor can easily cancel his agreement and free up his assets).

2. They require short-term deposits only.

3. They offer even just a slightly higher interest rate than the investor is presently getting.

The investor should keep his assets where he can easily pull them out or transfer them when interest rates are rising. It depends of course on the amount of his deposit and the term requirements, but the investor would do well to view a 0.5 percent interest rate differential as sufficiently large to give it his consideration.

However, an investor can't be said to be managing his assets adequately with financial products that offer such low interest rates.

Without the kind of public pension and insurance system that exists in Japan, Americans, in thinking ahead to their retirement, take a more aggressive approach to their savings and investments. Individuals of means, when they are too busy working to collect relevant investment data, also turn to specialists.

Unlike Japan, Americans have a wide range of financial products and investment approaches to choose from, and to help them, there are many financial planners (FPs) whose main job is managing an individual's assets.

Of course, financial planners enjoy positions of trust in American society and they are specialists with a good performance record or investment companies which have earned popular favor.

Unfortunately, Japan has no full-fledged financial planners who will offer a complete range of asset management services, but it is in the process of nurturing the seeds of future planners who will draw up a savings or investment plan or an asset management portfolio based on each individual's "life plan."

Like other advanced countries, Japan, too, is seriously facing the aging of its population, and the days are gone when individuals could rely to some degree on a public pension system to carry them through their retirement years.

Their plans must now also include their retirement years, and they must rely on their own efforts to manage and invest their assets.

These are days also colored by the strong possibility that banks, insurance companies and other financial institutions may fail.

Japan is approaching a period when investors must no longer leave their affairs to others or to the banks to handle but must have a sound, diversified investment portfolio that includes hedges against risk and is based on the nature of the assets they have to invest and their own awareness of how long those assets should or can be invested.

This period of super-low interest rates offers a good opportunity for investors to recognize the need for such individual, strategic investments.

Why did investments during the bubble period fail?—The lessons learned from those failures should be the basis for any future investment approach.

There are two kinds of profits to be gained from investments: capital gain and income gain. To use real estate as an example, profit from the sale of property whose value has gone up since the time it was purchased is considered a capital gain. Rental income is said to be an income gain.

During the bubble period, very little thought was given to the yield on one's investment (income gain); the focus was exclusively on capital gains and ways to reduce one's capital gains tax.

Investors thought nothing of borrowing money from nonbanks at a high interest rate, without any initial deposit or down payment, in order to buy a condominium out in the provinces somewhere without ever having once actually seen it. Even with a backspread—where investors pay a high rate of interest on their loan while receiving very little income gain from the rental of their property—they believed that when it came time to sell they would get more than what they originally bought the property for.

But the myth about perpetually rising land prices collapsed and along with it the value of the investors' collateral. Naturally, they were left with property they couldn't sell even if they wanted to and with huge payments due on the long-term loans they had taken out.

In the United States, investors give priority to income gain. The higher the income gain, the higher a piece of property can sell for. This iron law applies not only to their real estate but also to stock and other investments.

Asset Investments Stressing "Real Interest"

An investment strategy that stresses income gain is a strategy to earn real interest. "Real interest," strictly speaking, is the difference between "nominal interest" and the "anticipated rate of inflation." For example, even if the nominal interest rate is 7 percent, if the rate of inflation is 5 percent, then the real rate of interest is 2 percent. On the other hand, if the nominal rate of interest is 1 percent and the rate of inflation is minus one percent, then the real rate of interest is 2 percent.

If this idea is applied to future asset investments, investors will be thinking about investments that will even slightly: 1) reduce or hold down their costs and 2) increase the yield on their investments.

If an investor wants to avoid any risk at all, then it means he will be putting all of his funds in financial instruments like public or corporate bonds or in mutual funds. But this kind of low-risk, low-return investment gives him no room to maneuver. To develop the kind of investment strategy that will enable him to keep his expenses down, point 1) above, he will look for a return on his investment that is based on a reduction in his expenses, taking into account the rate of inflation. This approach is for a low-risk, moderate-return on his investment.

An investment approach that aims at high returns naturally carries some risks. The second investment approach, therefore, is one in which the investor tries to get a high return on his investment and aggressively takes risks. What is important in such a case is to manage his risks. This is truly one of the lessons to be learned from the bubble period. By managing his risks, the investor can reduce their potential impact on his finances. This is what it means to apply the lessons learned from the bubble experience. Managed risk is less dangerous. The point is to determine how to turn a high risk into a moderate risk and to realize a high return.

What is important in either approach 1) or 2) is to consider the nature of the funds to be invested. It would be nothing less than reckless for an investor to put money he will need in another year in a financial product or instrument that is more appropriate for a long-term investment. It is important to remember that the approach he takes will differ according to what the funds are intended for and how long he can do without them if he decides to invest them.

Reducing future expenses means, first of all, earning higher real interest and gaining a solid return on one's investment. It means the investor will partially pay back or make an advance payment on expenses that will have to be paid in the near future.

Specific methods include converting a loan from a housing loan company or paying off part of the loan early; revising the payment schedule for insurance premiums; or pre-paying national pension payments for an entire year.

Interest rates are currently very low. The interest and return on savings account deposits is low but so is the interest on loans. There are ways to take advantage of this situation. An investor who is borrowing money from a bank at a high, fixed rate of interest should first of all consider converting his loan to one with a variable interest rate (currently 3 percent). An investor who has taken out a high-interest loan from a finance or housing loan company should look into the possibility of converting his loan into a bank loan or paying off part of the loan earlier than scheduled.

If there is at least a 2 percent difference in the interest on a loan before and after it is converted (for a loan that still has 10 years to be repaid in full), the investor will still come out sufficiently ahead after paying the various costs associated with converting his loan.

Even though he has to pay off a high interest, for an investor with surplus funds at his disposal, the return on his investment will be much better if he pays off part of his loan early.

Looking For High Returns While Managing Risk

A more aggressive approach to investing surplus funds is for an investor to aim for a high return while managing his risk.

Even now, taking a capital gain approach has its risks. But unlike the bubble period, the prospect for income gains from real estate and stock holdings (rental income and dividends) is looking up. This is only natural since property and stock prices have fallen.

For example, an investor can now purchase a studio condominium in Sapporo for around 5 million yen (about half the amount it originally sold for) and get a six to ten percent return on his investment. An absolutely essential point, however, is that he choose a piece of property where the rental income will exceed his loan payments. This point is important because, instead of expecting property values to appreciate, he will be making the rent his sole source of income from this property. In this way, he can "manage" any risk to his investment due to a drop in the value of the condominium.

Of course, there is still a risk involved; namely, can he find a renter?

Here, he has to ask himself several questions. For example, does the rent, which he uses to determine the return on his investment, accurately reflect the rental market? Is it appropriate? Is the property conveniently located for potential renters? Is the building well constructed? Is it well managed?

He will not know the answers to these questions unless he actually sets foot on the property and sees for himself. It is not enough to rely merely on the description that a real estate broker may give.

The stock market is also still rather sluggish. Here, too, the investor should pay attention to income gains (dividends). To say that the market is sluggish is to view the market ultimately in terms of capital gains. From the standpoint of dividends, it means a higher return for the investor.

When looked at in this light, stocks, in some cases, may yield much higher returns than financial products like savings accounts. Electric power company stock is a typical example. Here, timing is important—when to buy the stock at a low enough price that it will yield a better return. It is also important that the investor not worry every time the price goes down a little.

Among the things an investor might also consider when looking for high interest (yield) are foreign bonds and foreign currency deposits. Foreign-currency-denominated financial products are at risk, as the reader knows, when the yen appreciates in value. It is important, then, in terms of managing risk, for an investor to know at what point a change in the exchange rate will yield him a "zero" return on his investment. If the dollar drops 20 percent or more from the time the deposit was made, no interest-bearing account will be able to yield a return for him. Of course, if the yen weakens, his return will be even higher.

Is that a possibility?

Here, the investor must do his homework beforehand. How much of a fluctuation in the exchange rate can he bear? Once he has answered that question, he can rest assured that his risks are being managed.

The price of gold is linked to the price of crude oil and has a tendency to appreciate during crises and periods of inflation. Since gold is bought and sold with dollars, its value is also influenced by the exchange rate. Given this fact, an investor can then formulate the following plan: to stock up on gold during deflationary times when the yen is high, hold on to it for a long time, and then sell it during inflationary times when the yen is weak. If he can think in terms of ten years or more, then gold can be considered a promising investment.

The point for an investor to remember in managing his assets during a period of super-low interest rates is that he should diversify his investments after taking stock of the risks that are involved for himself. This writer would recommend that he consider investing from 10 to 20 percent of his assets in products that have some risk involved.

North Korea

U.S. Policy on Arms Sales Criticized

SK0912120495 Pyongyang Korean Central Broadcasting Network in Korean 0854 GMT 9 Dec 95

[Unattributed commentary: "Act of Seeking One's Own Interest by Using Others for One's Purpose"]

[FBIS Translated Text] Some time ago, the United States made public its plan to form a new forum involving 28 countries, most of them Western European, in which our country and other nations are defined as targets of export control.

The United States pointed out that the purpose of the new forum, which would replace Cocom — the Coordinating Committee for Multilateral Export Controls which is a remnant of the Cold War era — is to make the major nations that export arms and sophisticated technology meet in order to establish a system to prevent unstable elements by controlling trade and arms exports by those countries, including ours, branded as so-called dangerous states.

Needless to say, we pay no special attention [pyollo singyongul ssuji ansumnida] to continued sanction maneuvers by the United States against us. However, we cannot but take a serious view of the U.S. vicious intention to even drag Western European countries into its scheme and to use them in isolating and stifling our country while clamoring instability and so forth after listing our Republic as a target of the new Cocom.

The Unites States is the first-class arms seller country in the world. U.S. arms sales have increased drastically in recent years. The United States gained profits by selling weapons to its follower nations, branding them as allies, and to other countries on the pretext of security. Besides, the United States is expanding the arms sales market in such a way as to aggravate disputes.

Recently, the United States has been attempting to expand its arms sales even to Eastern European countries on the premise that they participate in NATO. Then, why is the United States, the biggest arms dealer in the world, seeking to form a new forum of Western European countries while crying for arms sales controls against someone?

Today, Western European countries are displeased with U.S. interference in European affairs, emphasizing that European affairs should be responsibly resolved by European countries themselves. In addition, they are competitively increasing arms sales and complaining about the U.S. expansion of arms sales.

Under these circumstances, the United States, crying for arms sales control against what it calls dangerous countries, is now seeking to form a new forum of Western European countries, place them under its control and monopolize the arms market. It is also attempting to use the Western European countries through the forum to stifle our Republic and to establish hegemony in handling international issues.

It is a vicious habit of the United States to mercilessly abandon one when the situation turns unfavorable even while acting as if it would offer everything when there is substantive profit. Western European countries have been put to shame more than once, dancing to the tune of the United States. If these countries are included in the new forum, it cannot be construed as anything other than a servile spirit befitting a servant of the United States. It is good for one not to act in such a way as to become a laughing-stock of others.

Today, the world is denouncing and spitting on the U.S. action of instigating an arms race through arms sales and of disturbing the peace. It is an act of going counter to the trend of the times, being subject to the people's curse and hatred, to become member states of the new Cold War system by blindly following the United States. As the public opinion of the world has unanimously pointed out, if any organization controlling arms sales is to be formed, it should be the organization that watches and controls the United States, the boss of arms sales.

The United States should abandon its foolish act to seek its own profits by taking issue with someone, before it is put to greater shame. Other countries should have their own spirit and should not blindly follow the United States.

Pressure and sanctions do not work on us at all. Our people, who regard independence as their life and soul, will never allow any attempt to encroach upon the dignity of the nation and the sovereignty of the country. The era when one rules other countries with threats, menace, and sanctions, is gone. The United States would be well advised to stop resorting to a common trick and to act with discretion.

Paper on U.S. Attempts To Restrict Arms Sales

*SK0912040895 Pyongyang KCNA in English
0338 GMT 9 Dec 95*

["U.S. To Use Others for Its Purpose" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 9 (KCNA) — NODONG SINMUN today comments on the recent intention of the United States to form a "new forum" which involves 28 countries, most of which are Western European countries, and which defines the DPRK and other countries as targets of export control.

The news analyst says:

We cannot but take a serious view of the fact that the United States has listed the DPRK among targets of the new "Cocom" with clamour for "instability" and intends to inveigle Western European countries into its scheme to use them in isolating and stifling the DPRK.

While crying for arms sales control against what it calls "dangerous countries" the United States is now seeking to form a "new forum" of Western European countries, place them under its control and monopolize arms market. It is also attempting to use Western European countries through the forum to stifle our republic and to establish hegemony in handling international issues.

It was more than once that Western European countries were put to shame, dancing to the tune of the U.S. If these countries are included in the "new forum", it cannot be construed otherwise than a servile spirit befitting a servant for the U.S.

The United States should abandon its daydream to draw water to its mill by taking issue with someone, before it will be put to greater shame. Other countries should not blindly follow the United States.

Pressure and sanctions do not work on us at all.

The Korean people, who regard independence as their life and soul, will never allow any attempt to encroach upon the dignity of the nation and the sovereignty of the country.

The United States would be well advised to stop resorting to a base trick and to act with discretion.

Reaction to Remarks by U.S. Commander in Japan

SK0912090895 Pyongyang KCNA in English
0851 GMT 9 Dec 95

["Sophism Revealing U.S. Ambition To Stifle DPRK" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 9 (KCNA) — The top commander of U.S. Forces in Japan, Richard Myers, said in an interview with a group of Japanese reporters on Thursday that "the U.S. forces here in Japan and South Korea are appropriate," taking issue with the North, according to a report from Tokyo.

"It would be difficult to reduce the U.S. military presence in Japan without a drastic change in the East Asian situation," he said, "I think then, military risk would go up."

"The 47,000 U.S. troops stationed in Japan are the minimum required to deal with a possible conflict on the Korean peninsula," he added.

The U.S. political circles and military are clamouring about "instability" and "possibility of conflict" on the Korean peninsula more frequently than ever. This is ill-boding.

This is a sophism stemming out of ulterior intention to make a pretext to keep, at whatever cost, the U.S. troops that have become a target of accusation in Japan and South Korea and run into the demand for their withdrawal, which eloquently shows the unchanged U.S. ambition to stifle the North militarily.

U.S. Nuclear Submarine Port Call Criticized

SK1112141495 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 11 Dec 95

[FBIS Translated Text] According to a report, on 9 December the Columbus, an offensive-type nuclear-powered submarine of the U.S. Navy, made a port call at Yokosuka, the U.S. Forces in Japan, Kanagawa Prefecture, Japan.

Nuclear-powered submarines of the U.S. Navy have made 30 port calls to Yokosuka this year; they have made 516 such port calls in total.

The nuclear-powered submarine made a port call to the Japanese port at a time when the United States and Japan, while raving about destabilizing factors on the Korean peninsula and in other areas, have recently promoted an atmosphere for strengthening the U.S.-Japan military alliance. This port call is considered a dangerous military movement that aggravates the situation in the region.

U.S. Denounced for Seeing DPRK as 'Threat'

SK1012064095 Pyongyang Korean Central Broadcasting Network in Korean
0853 GMT 8 Dec 95

[NODONG SINMUN 8 December commentary: "What Is Their Ulterior Motive in Picking a Quarrel With Someone Else?"]

[FBIS Translated Text] The United States continues to viciously pick a quarrel with us. This is revealed by the joint document for the redefinition of the Japan-U.S. Security Treaty, which was recently agreed upon between the United States and Japan and made public, and the attempt to include the phase "the threat from the DPRK" in the new defense plan program decided upon in the Japanese Cabinet meeting.

The so-called threat from us raved about by the United States is nothing new. The United States has long raved about a threat from us, and has been maneuvering to crush our Republic. This remains unchanged.

Since the end of the cold war, the United States has been scheming to become a ruler and a dominator in the Asia-Pacific region. Our Republic is a main target in the U.S. maneuvers to realize its strategic objective in the Asia-Pacific region.

Under the obsolete pretext of a threat from us, the United States is attempting to justify its arms buildup and war maneuvers in the Asia-Pacific region and to step up its maneuvers to crush the DPRK.

The U.S. attempt to include the phrase "the threat from the DPRK" in the joint U.S.-Japanese document and in the new Japanese defense plan program also contains other ulterior motives. The United States has desperately tried to drag Japan into its attempt to brand us as a threat to actively instigate Japan into maneuvers for regarding the DPRK as an enemy.

The development relevant to this is that the U.S. ruling circles, acting in sympathy with the South Korean puppets' fussing and begging, are forcing Japan to actively cooperate with the joint alliance against the DPRK.

Under the pretext of the threat from the DPRK, the United States is attempting to obstruct the improvement of DPRK-Japan relations. The improvement of DPRK-Japan relations is the aspiration and demand of the peoples of the two countries and the reflection of the trend of the times as well.

DPRK-Japan relations are an issue to be resolved between us and Japan. Nevertheless, the United States is attempting to put a brake on Japanese moves for the improvement of DPRK-Japan relations. This shows that the United States does not want the improvement of DPRK-Japan relations. This is why the United States is forcing Japan to accept a fictitious threat from the DPRK.

The United States cannot hide its heinous scheme with whatever tactics it may employ. We have been making consistent efforts for peace and detente on the Korean Peninsula and the Asia-Pacific region, and are not trying to threaten anyone. However, the United States has been continuously building up its aggressive forces in the Asia-Pacific region, including South Korea, posing a grave military threat to the countries here.

In South Korea, the United States has continually conducted large-scale war exercises, such as the extremely provocative Foal Eagle-95 joint military exercise, thus threatening and blackmailing our Republic with force.

To fundamentally improve the situation in the Asia-Pacific region, including the Korean Peninsula, the U.S. occupation and domination of, and interference in this region should be brought to an end. It is an anachronistic, haughty, and insolent act for any country to dictate and instruct another country to do this and that and to impose unilateral demands on it.

Conversely, to be obedient to other's instructions and to try to read others' minds in matters which one should settle oneself and to lack settled convictions is servile. The threat from the DPRK, which the United States raves about, is not convincing in today's well-lighted world.

U.S. Development of 'Radar Weapon' Denounced

SK0912134795 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 8 Dec 95

[FBIS Translated Text] According to a news report from Washington on 6 December, the U.S. Defense Department is maneuvering to develop a radar weapon that can intercept an enemy missile hundreds of miles away. This shows that the United States is still obsessed with the maneuver to develop new weapons behind its facade of peace and arms reduction.

Demonstrations, Rallies in ROK Reported

SK1012083095 Pyongyang KCNA in English 0628 GMT 10 Dec 95

[FBIS Transcribed Text] Pyongyang, December 10 (KCNA) — Demonstrations and rallies exhorting the traitor Kim Yong-sam to immediately make public the "presidential election" fund and introduce the special prosecutor system for punishment of May 18 Kwangju massacre murderers were held on December 9 in nine cities throughout South Korea, a Seoul-based radio said.

Rallies and demonstrations, sponsored by the National Emergency Measure Committee for Enactment of May 18 Special Law, which includes 290 dissident and civic organizations of South Korea, took place simultaneously in Seoul, Pusan, Taegu, Suwon and other major cities.

In Seoul, about 3,000 people including the members affiliated with the National Alliance for Democracy and Reunification and citizens and students held a rally in Chongmyo Park, to denounce the traitor Kim Yong-sam, the mastermind of corruption and irregularities, for persistently refusing to open to the public the "presidential election" fund and introduce the special prosecutor system.

In the demonstration, they conducted propaganda activities calling on people to join in the struggle for making public the "presidential election" fund.

ROK Installs Heavy Weapons in DMZ

SK1012071195 Pyongyang KCNA in English 0631 GMT 10 Dec 95

["Heavy Weapons Introduced in DMZ" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 10 (KCNA) — The South Korean puppets installed 90 mm recoilless guns and 12.7 mm machine guns in the Demilitarized Zone (DMZ) on December 8, with which they aimed at the civil policemen of the North, threatening their lives, a military source said.

If the South Korean puppets drive the situation in the DMZ to a dangerous phase, ignoring the North's repeated warnings, the provokers will not evade a stern punishment.

ROK Warned Against 'Acting Rashly'

SK0912035995 Pyongyang KCNA in English 0334 GMT 9 Dec 95

["Warmaniacs Warned Against Acting Rashly" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 9 (KCNA) — The South Korean puppet defence minister, Yi-Yang ho, at a "meeting of commanders-in-chief" held on Thursday has reportedly given bellicose instructions "to take a posture to promptly provide against threat from the North".

Earlier, Kim Hong-nae, chief of the staff of the puppet air force, sent "directives" to "all the commanding officers and staff officers" of the puppet air force to "make full preparations to cope with any provocation", inciting a war fever.

In another development, all the units of the puppet army have been put in "readiness for winter operations" from this month to April next year on the plea of "coping with possible provocative threat" from the North.

This is one more revelation of the Kim Yong-sam-bossed warmaniacs' intention to plunge the fellow countrymen into the holocaust of war, a vicious challenge to the ardent desire and aspirations of the Korean nation for peace in the country and its peaceful reunification.

The war hysterics of the Kim Yong-sam group which continue rendering the situation strained, ignoring our repeated warnings, is attributed to their serious ruling crisis.

The Kim Yong-sam group have been driven into a tight corner by the "slush fund scandal" of No Tae-u, the worst crisis ever since their assumption of office.

It is as clear as daylight that the Kim Yong-sam group driven against the last wall are trying to find a way out in a military adventure.

We are watching with heightened vigilance the reckless military actions of the Kim Yong-sam group.

Fire for fire, this is precisely the will and determination of the Korean people and the People's Army.

The Kim Yong-sam should stop acting rashly.

'Threat From North Korea' Rumor Denounced

SK1112103395 Pyongyang KCNA in English 1024 GMT 11 Dec 95

["Foreign ministry Spokesman on Rumour of 'Threat From North Korea'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA) — A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea issued a statement today denouncing the United States for making anti-DPRK moves these days, spreading the false rumour of "threat from North Korea."

The statement says:

The United States is these days making ill-boding moves against the DPRK, spreading the false rumour of "threat from North Korea."

High-ranking officials of the U.S. administration reportedly urged Japan to actively join in the anti-DPRK "cooperation system" allegedly to cope with "threat from North Korea" and called for specifying the phrase "threat from North Korea" in the "joint document" for the "reformulation" of the "Japan-U.S. Security Treaty."

This is not the first time we heard such a rumour, but we take a serious view of it because the United States spreads this rumour at a time when the framework agreement between the DPRK and the United States is being implemented.

The U.S. argument about "threat from North Korea" is a graphic expression of its hostile policy toward the DPRK. Lurking behind it is an adventurous intention to intensify hostile military actions against the DPRK.

It is evident that these moves of the United States will aggravate the military confrontation between the DPRK and the U.S. and drive the situation around the Korean peninsula to a new grave phase.

It is the United States that divided Korea and has stationed its troops in South Korea and extremely aggravated the tensions with ceaseless arms buildup and joint military maneuvers against the DPRK. Under this stark situation, the United States must fulfill its obligation by taking practical measures to relax the tensions before it is too late.

Now that the Cold War has come to an end and the framework agreement between the DPRK and the U.S. is being implemented, there is no ground for the U.S. to stick to its hostile policy toward the DPRK.

With no argument about "threat from North Korea" can the United States reverse black and white.

In spreading the false rumour the United States is seeking a sinister intention to find a pretext for stifling the DPRK with military strength and save its military strategy in Asia with the DPRK as a scapegoat.

The U.S. feels ill at ease because the rape of a girl pupil in Okinawa, the slush fund scandal in South Korea, the demand for probe into the May 18 Kwangju massacre and other incidents occur one after another and have a bad effect on the U.S. military presence and, accordingly, there is no pretext for continued presence of its forces in South Korea and Japan.

What the United States raised in an attempt to find a way out of it is the argument about "threat from North Korea."

We have consistently striven for peace and security on the Korean peninsula and in the Asia-Pacific region and have never threatened anyone.

We put forward the proposal for establishing a new peace mechanism on the Korean peninsula and have made all sincere efforts for the military talks between the DPRK and the United States.

We have many accounts to settle with the United States. However, we are sincerely implementing the DPRK-U.S. agreed framework with magnanimity and good faith to turn the unfavourable relations of hostility between the DPRK and the United States into ones of trust, looking forward to the future.

It is thanks to our sustained peace efforts that peace and stability has been maintained on the Korean peninsula and in Northeast Asia though the armistice mechanism was paralyzed on the peninsula owing to the U.S. unilateral abrogation of the Armistice Agreement and the huge Armed Forces of the two sides, belligerent parties, stand in acute confrontation with the demarcation line in between.

If the United States is to stick to military confrontation with antagonism towards the DPRK, our hope for the confidence-based relations with the United States will be broken and the situation of confrontation to confrontation will inevitably come up in the long run.

Now that the United States is scheming to bring the military adventure against our system into practice together with South Korea and Japan, we cannot but feel exposed to threat and will unavoidably have to take countermeasures.

The United States is aware of what consequences would arise therefrom, better than anyone else.

Japan and others agreeing to the U.S. argument about "threat from North Korea" will also have complex problems to be entailed by military confrontation between the DPRK and the United States. They must be mindful that in that case not the DPRK but they will be to blame.

South Korean 'Thieves' Hinder Reunification

*SK1112094395 Pyongyang KCNA in English
0933 GMT 11 Dec 95*

["Thieves Hinder Reunification" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA) — Former and incumbent presidents of South Korea are being exposed to be the main culprits or accomplices of the unprecedented-in-history irregularities and swindles in South Korea.

In this connection, NODONG SINMUN today comes out with a signed article.

Pointing out that all the successive puppet rulers of South Korea are, without exception, corrupt kingpins of thieves and inveterate enemies of national reunification, the author of the article says:

The way of thinking of the successive rulers of South Korea is that only when they keep the country split on all accounts can they live in enrichment and prosperity, committing irregularities and swindles through the abuse of power as they desire, because they cannot suppress, exploit and plunder the people if the country is reunified.

The common mentality of the South Korean rulers, the gang of thieves, is that they can gratify their greed for power and live in luxury only when they keep only South Korea as the colony of the United States in case they cannot turn the whole of Korea into the colony of outside forces.

The traitor No Tae-u, the main culprit of the "slush fund scandal", was loud-mouthed about "peace" and "reunification." But in actuality, he had doggedly refused all the reasonable proposals of the North for peace and reunification and constantly staged war exercises against the North in league with outside forces. This laid a grave hurdle in the way of national reconciliation, unity and reunification.

After it took power, the Kim Yong-sam group openly cried for "reunification through northward invasion", claiming that it is its "dream" and "goal" to achieve "reunification under the liberal democratic system". In addition, it has continued large-scale joint military exercises against the North with outside forces and resorted to the vicious anti-DPRK confrontation racket and intensified the crackdown upon the pro-reunification patriotic- minded figures of South Korea.

The successive rulers of South Korea including the Kim Yong-sam group have hindered the reunification of the Korean nation for more than half a century, indulging themselves in personal pleasure and irregularities and corruption. This is one of their thrice-cursed heinous crimes.

ROK Increased Military Readiness Denounced

SK1012074295 Pyongyang Korean Central Broadcasting Network in Korean 1223 GMT 9 Dec 95

[Commentary by Kim Ho-sam: "The New War Provocation Cannot Be the Way Out"]

[FBIS Translated Text] The Kim Yong-sam ring's war frenzy for northward aggression has been further revealed. According to a report, Yi Yang-ho, the puppet defense minister, held a meeting of senior Armed Forces commanders on 7 December and ordered the Armed Forces to adopt operational postures against a threat by the North.

Prior to this statement, Kim Hong-nae, chief of the General Staff of the puppet Air Force, sent a so-called command letter to the staffs of commanders at each level, instructing them to maintain a higher degree of military readiness against possible provocations by the North. Also, the puppet Defense Ministry began to adopt a wintertime operational posture on 7 December, saying that it would prepare against someone's threat of provocation. This operational posture will continue from this month to April 1996.

In the current situation in which this year is coming to an end, due to the war maniac and absurd remarks made successively by the bosses of the South Korean military leadership, the puppet Army has begun to adopt a wintertime operational posture. This shows that their plots for northward aggression have reached a very reckless stage, arousing a sense of vigilance from us.

Such plots by the Kim Yong-sam ring, which wants to drive, without fail, the same fellow countrymen into the ravages of war, are vicious challenges to all our people, who want to secure peace in the country and achieve national reunification by all means. We cannot but regard the South Korean puppets' war maniac frenzy as very grave. The puppets have begun to pick a quarrel with us by babbling about a threat or provocation. This is a preposterous sophistry, just like a thief crying: Stop, thief!

It is not us, but instead the South Korean puppets who pose a threat and are commiting a provocation. Let us take several examples. It is well known that approximately 1,000 U.S. nuclear weapons are deployed in South Korea. Still not satisfied with this, South Korea and the United States have agreed again to deploy more nuclear weapons in South Korea, and the U.S., during the annual security consultative conference held in Seoul in early November, agreed to provide the ROK with a nuclear umbrella. Also, during this military plot meeting, they decided to annually conduct South Korean-U.S. joint military exercises in the future, in addition to the Team Spirit joint military exercise.

Furthermore, everyone knows that beginning this year, the puppets have conducted various military exercises, including Foal Eagle-95 and the Hwarang military exercise. Even before such massive military exercises ended, the puppets announced again that in order to enhance the puppet Army's independent operational capability, in the first half of next year they will conduct a massive mobile field exercise in which corps-level armed forces will participate.

It is the South Korean war maniacs who are engaged in committing military provocations against us every day along the Military Demarcation Line. Despite such acts, they dare to babble about the so-called threat and provocation in front of us, despite the fact that it is we who are making the sincere and patient efforts to maintain and secure peace in the country! This is a preposterous remark.

Such preposterous logic by the Kim Yong-sam ring cannot work for anyone. This is why lately the Kim Yong-sam ring has been committing such a reckless war frenzy — it is related to the Kim Yong-sam ring's current ruling crisis.

As fairly pointed out by public opinion at home and abroad, the Kim Yong-sam civil fascist rule is now placed in the worst of crisis situations. The Kim Yong-sam ring — which has been driven to a corner because the people deserted it as a result of its crimes committed over and over again as the assistant to the boss during a period of taking power — is attempting to ease the people's voice of denunciation, while successively committing an act of announcing the outcome of the mid-term investigation into the so-called secret fund and of changing the signboards of the corrupt Democratic Liberal Party. This cunning trick cannot work at all.

The South Korean people are now directing the spearhead of denunciation and struggle against Kim Yong-sam, boss of the group of thieves. Moreover, events in which lawmakers leave the ruling party due to opposition against Kim Yong-sam are taking place successively. Even the sentiment against Kim Yong-sam has increased within the puppet Army. The Kim Yong-sam clique, which has been placed in a crisis situation, as the light before the wind, is attempting to seek a way to survive, even if it is committing military adventurism to the last. However, this is an absurd act, like blind boldness.

The road to war cannot be the Kim Yong-sam clique's way to sustain his life. Our people and the People's Army are now uniting around the comrade supreme commander more firmly than ever before, keenly watching the militarily adventurous plots by the South Korean puppets.

Our People's Army units will never give charity to persons who are the first to set a fire. This is part of the traditional vigor of our People's Army units. Without clearly seeing it, if the Kim Yong-sam ring attempts to recklessly set a fire, it will meet a tragic end. The Kim Yong-sam ring should act with discretion.

ROK Defense Alert Called 'Provocation'

SK1012065495 Pyongyang KCNA in English 0625 GMT 10 Dec 95

["War Trumpeting" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 10 (KCNA) — The South Korean puppets are kicking up a reckless military row allegedly to cope with "threat from the North."

The traitor Kim Yong-sam ordered the bosses of the military to be prepared for war. The puppet defence minister talked about "winter operation status" from December to April next year.

NODONG SINMUN today brands the Kim Yong-sam group's anti-DPRK campaign and war preparations against the North behind the facade of "threat from the North" as a downright challenge and provocation against the DPRK, which is making every sincere effort for peace and peaceful reunification of the country.

The news analyst says:

"Threat from the north" and "threat of southward invasion" are stereotyped pretexts the South Korean puppets use to mislead public opinion at home and abroad each time they face a serious government crisis.

The Kim Yong-sam group are now in the most serious crisis, criticised by the people as the target of overthrow for their involvement in the traitor No Tae-u's slush fund scandal.

The crisis is getting worse, though Kim Yong-sam directed the drama of imprisoning the dictators of the "fifth and sixth republics," took a measure to enact a special law on the May 18 incident and renamed the "Democratic Liberal Party" in an attempt to divert the people's hatred.

With a view to getting rid of the crisis, the Kim Yong-sam group are trying to cheat the people with the shocking false propaganda about "threat from the North," divert public criticism of their involvement in the slush fund scandal and unleash a war against the North in conspiracy with outside forces.

This futile attempt will only precipitate their disgraceful end.

We are sharpening vigilance over the reckless military moves of the bellicose Kim Yong-sam group, who are driven into a tight corner.

We warn them again to stop acting like a newborn puppy knowing no fear of a tiger.

ROK Army Meeting Called 'Shameless Challenge'

SK0912085795 Pyongyang KCNA in English 0844 GMT 9 Dec 95

["Puppet Army on 'Winter Operation'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 9 (KCNA) — The South Korean puppets on December 7 called an "all-Army meeting of major commanding officers" and cried for keeping "alert for immediate counter-action" to cope with North's "threat", thus inciting again the consciousness of confrontation with the North, a Seoul-based radio said.

At the meeting, the puppet defence minister complained that the military has been undergoing difficulties within and without, owing to the people's accusation of the incident of the May 18 Kwangju massacre and so on, and defended the need to "cement the unity within the military".

The puppets ordered to the puppet army to be on "alert of winter operation" from this month to next April.

The meeting of brasshats which was held on the traitor Kim Yong-sam's instruction for confrontation with the North, is a shameless challenge to the North. They are trying to bridge over their deepening internal crisis and suppress and stamp out the people's powerful struggle for overthrowing the "civilian government", by connecting them to the North.

Kwangju Massacre Atrocities Reviewed

SK1012082595 Pyongyang KCNA in English 0635 GMT 10 Dec 95

["Kwangju Brutalities Evidenced" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 10 (KCNA) — Another piece of evidence for heinous atrocities committed during the Kwangju massacre was discovered in South Korea on December 6.

It was recorded in a protocol worked out by the Kwangju District Public Prosecutor's Office after confirming the dead bodies in company with a prosecutor of the puppet army, a military surgeon and a police officer at the time of the Kwangju massacre.

The KYONGHYANG SINMUN newspaper quoted the document as saying that Son Ok-ye, 19, had been shot as well as stabbed on her left breast. This shows that the then rumour that "martial law troops" cut out breasts of women with swords was not false.

Kim Chon-ye, 18, and some forty others turned out to be shot by two to ten bullets each, said the newspaper, adding that this proves the "martial law troops" fired at them indiscriminately.

The Christian Broadcasting System (CBS) said it was recorded in the document that a 23-year old surnamed ho was killed with the right part of his skull cut by a sword and other sharp instruments and his forehead struck by a hammer and other tools. This shows that the "martial law troops" used swords and other lethal weapons.

The CBS said the "martial law troops" killed young pupils with merciless violence. For example, a third-year pupil surnamed Pak of the Tongsin middle school in Kwangju was killed with his whole body beaten by a club.

Kim Yong-sam's Acts To Avoid Scandal Denounced

SK1112050495 Pyongyang KCNA in English 0300 GMT 11 Dec 95

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA) — The Korean Democratic Lawyers' Association made public a statement on December 11 denouncing the Kim Yong-sam group for resorting to vicious moves to escape themselves from the "secret fund scandal" by using the just demands of the South Korean people for the punishment of those responsible for the May 18 massacre for their ulterior political purpose.

Recalling that the Kim Yong-sam group are now committing unpardonable crimes by mocking the law and deceiving the people under the signboard of "enacting a special law for the May 18 incident," the statement says:

When he was in an opposition party, the traitor Kim Yong-sam once vociferated about the "preferential solution to the Kwangju issue." But, after he took power, he has evaded its solution, alleging that the "solution to the Kwangju issue must be left to the history." Worse still, he went the length of "making a preposterous" decision of "no arraignment" and "an action of no prosecution" in July through the puppet prosecution. This is one more crime of adding to the deep-rooted grudge of the Kwangju citizens and pardoning the Kwangju murderers by "law."

The advertisement about "enactment of a special law for the May 18 incident" which was raised abruptly by the Kim Yong-sam group is not aimed at wreaking the deep-rooted grudge of the Kwangju citizens and the South Korean people but an artifice to protect themselves.

The slush fund Kim Yong-sam himself swallowed up is so excessive that he cannot avoid the spearhead of the "secret fund scandal" with the signboards of enacting a special law. Accordingly, with the enactment of a special law he can neither abate nor erase the "secret fund scandal."

We bitterly denounce in the name of fair law the Kim Yong-sam group for resorting to the vicious moves to abuse the just demands of the South Korean people for the punishment of the May 18 murderers for their ulterior political purpose in an attempt to escape themselves from the "secret fund scandal," deceiving the people with the advertisement of the enactment of a special law, the statement says, and stresses:

The conscientious figures of law circles and all the people of South Korea must wage a powerful mass struggle to put the Kim Yong- sam group before court unconditionally and mercilessly punish them.

And they must push their demands for the introduction of a special prosecutor system to the end and unconditionally judge and sternly punish all the Kwangju murderers including Chon Tu-hwan and No Tae-u.

We will never overlook with folded arms the fact that the Kim Yong-sam group is rendering the situation of the country strained and further worsening the North-South relations with anti-DPRK smear campaign.

Kim Yong-sam Urged To Disclose Fund

SK0912093595 Pyongyang KCNA in English 0841 GMT 9 Dec 95

[FBIS Transcribed Text] Pyongyang, December 9 (KCNA) — The opposition National Congress for New Politics accused the prosecution's investigation into "slush fund scandal" of being run through with political framings and demanded once again that the background of the "presidential election" fund be made public and those concerned be arrested, a Seoul-based radio said.

The party strongly held that Kim Yong-sam should personally make public the "presidential election" fund since the prosecution had not referred it in its announcement of investigation results.

"The prosecution had not disclosed how 80-90 billion won of No Tae-u's slush fund was used, which is in no doubt to be channelled into supressing the opposition camp," it said, declaring that "if the present 'regime' suppresses the 'National Congress for New Politics' it will mobilize all party forces to counter it."

Commentary Views ROK Ruling Party Name Change

SK0912091895 Pyongyang KCNA in English 0838 GMT 9 Dec 95

["True Face of Corrupt Party Cannot Be Veiled" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 9 (KCNA) — NODONG SINMUN today runs a commentary on the recent replacement of the signboard of the notorious "Democratic Liberal Party [DLP]" with "New Korea Party" (tentative name).

The news analyst says:

The South Korean puppets have changed the signboard of a political party of traitors, which is so corrupt that it stinks, and clamoured about "new start for new politics", "new jump" and "political party for the people". It is the height of impudence, an intolerable insult to the South Korean people.

As made clearer by the current "slush fund scandal" of the traitor No Tae-u, the "Democratic Liberal Party" is a "political party of such thieves" as the traitor Kim Yong-sam, its "president". The "DLP", which was born with crimes and has crimes-woven history, has no longer justification for its existence. That is why the Kim Yong-sam group hurriedly renamed the "DLP" "New Korea Party".

By advertising that renaming is to "break with the past wrong doings" the puppets themselves admitted that the "DLP" is a "political party of thieves", a "dead political party".

The Kim Yong-sam group is working hard to cover the stench of the "New Korea Party", but in vain.

The Kim Yong-sam group should not make vain efforts to describe the rotten "New Korea Party" as "brand-new", but make a clean breast of the total amount of the "presidential election" fund and stand its trial before the people, according to the decided fate.

Group Urges End to ROK 'Corrupt Politics'

SK0912060995 Pyongyang KCNA in English 0330 GMT 9 Dec 95

["End to Corrupt Politics Called For" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 9 (KCNA) — A spokesman of the Committee for the Peaceful Reunification of the Fatherland in a press statement Friday expressed the hope that the South Korean people of various strata would thoroughly probe the No Tae-u's "slush fund scandal," put an end to the corrupt politics by their own efforts and achieve a new politics and new system which truly serve the nation, reunification and the people.

"We feel a disillusion from the fact that the present ruler of South Korea, who has paid a lip-service to 'clear politics' under the signboard of 'civilian' and 'reform', and the successive rulers were the kingpins of irregularities," the spokesman said, and went on:

"The current 'slush fund scandal' has shown to the world that the South Korean rulers have no moral authority of a dialogue partner of the North."

"The South Korean rulers' primary attention was not the North-South dialogue and improvement of North-South relations, but the money that backs power and promotion."

"It is evident that such corruptionists could not have taken account of the destiny and interests of the nation."

"The North-South dialogue is a sacred one dealing with the question of national reunification concerning the nation's supreme interest. It can be attended by the patriot who values the nation's interests, not by those seeking personal interest and promotion."

"The present South Korean ruler, who took power by squeezing tax from the people and pursue wealth and fame, a life in splendour with that power and money, is ineligible to talk about dialogue and reunification."

"Now the entire fellow countrymen in the North, the South and overseas hope that the North-South dialogue will be arranged at an early date and the question of national reunification be settled through the dialogue," it said, adding, "if such desire and aspiration of the nation is to be realized, those hindering the dialogue and settlement of the reunification question, preoccupied by self-interest and a lust for power, should disappear from political stage."

Reaction to Japanese Comments on Security

SK1012070795 Pyongyang KCNA in English 0620 GMT 10 Dec 95

["Dangerous Remarks" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 10 (KCNA) — Japanese Foreign Minister Yohei Kono, at a recent "regular meeting of Japan-Britain foreign ministers" in London, asked the British side to render close cooperation for the "settlement" of the fictitious "nuclear issue" of the DPRK, the Japanese YOMIURI SHIMBUN newspaper reported on December 9.

A news report from Tokyo quoted the new Japanese ambassador to the United States, Kunihiko Saito, as saying that the "Japan-U.S. security alliance" should be maintained allegedly to cope with "destabilizing factors" in the Korean Peninsula and other areas.

He told a news conference on December 8 that although the cold-war structure has collapsed, there still remain "some destabilizing factors" in neighbouring Asian countries including the "potential danger" of the situation in the Korean Peninsula.

To cope with this, he said, Japan should maintain a "security alliance" with the United States.

The remarks of the Japanese reactionaries show that they stick to the anti-DPRK campaign in conspiracy with outside forces.

"Nuclear development" and "destabilizing factors" are pretexts to justify their criminal acts.

They must act with discretion, pondering over what consequences their acts would bring about.

Normalization of Diplomatic Ties to Japan Urged

SK1112050595 Pyongyang KCNA in English 0312 GMT 11 Dec 95

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA) — Representatives of the Japan-Korea Friendship Data Centre called at the Japanese prime minister's residence on December 1 to demand an early realization of normalization of the Japan-DPRK diplomatic relations.

Among the representatives were Chun Naoi, vice-chairman of the Centre and Director of the Secretariat of the Japan-Korea Peasants' Society for Friendship and Exchange, and Hideyoshi Hirose, advisor to the centre and director of the Secretariat of the Dietmen's League for the Promotion of Japan-Korea Friendship. They handed the chief cabinet secretary a letter of request to the Japanese prime minister.

The chief cabinet secretary said the government would work to resume the talks for normalization of the Japan-DPRK diplomatic relations so that the diplomatic relations can be established within the term of the present government.

Jiang Zemin Thanks Kim Chong-il for Greetings

SK1112060795 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 9 Dec 95

[FBIS Translated Text] The great leader of our party and our people Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army [KPA], received a message from Comrade Jiang Zemin, general secretary of the Central Committee of the CPC, president of the PRC, and chairman of the Central Military Commission of the PRC, in reply to his message of greetings sent to the latter on the occasion of the 46th anniversary of the founding of the PRC.

The message reads:

Pyongyang, Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the KPA,

On behalf of the people of China and in my own name, I express my heartfelt gratitude to you, and through you, to the people of your country for the message of greetings you sent me on the occasion of the 46th anniversary of the founding of the PRC.

I take this opportunity to sincerely hope for the steady strengthening and development of the relations of the traditional friendship, goodwill, and cooperation between the two parties, the two countries, and the two peoples of China and Korea and for the development and prosperity of your country and the happiness of the people.

[Signed] Jiang Zemin, general secretary of the CPC Central Committee, president of the PRC, and chairman of the Central Military Commission of the PRC

[Dated] 30 November 1995, Beijing.

PRC Delegations Visit Kumsusan Memorial Palace

SK1112042095 Pyongyang KCNA in English 0253 GMT 11 Dec 95

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA) — A delegation of the General Company of Foreign Economic Trade in Sichuan Province, China, and the representative of the Centre for Study of South Africa in China and his party on December 10 called at Kumsusan Memorial Palace, where the great leader President Kim Il-song is preserved in state.

The visitors paid homage before the statue of President Kim Il- song and bowed to him, who is laid in state, in the deepest reverence.

The head of the general company wrote in the visitor's book: "President Kim Il-song, the benevolent father of the Korean people and the most intimate friend of the Chinese people, will always be with us."

Earlier, the guests laid floral baskets and bouquets of flowers before the statue of President Kim Il-song on Mansu Hill and made bows to him.

World Day of Human Rights Noted

SK1012075595 Pyongyang KCNA in English 0617 GMT 10 Dec 95

["World Day of Human Rights Observed" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 10 (KCNA) — MINJU CHOSON today observes the world day of human rights.

The popular masses can enjoy the political freedom and rights, material and cultural life to the full as dignified masters of the state and society when their human rights are ensured, a signed article of the paper says, and continues:

The democratic freedom and rights of the popular masses can be realised only under the socialist system.

Working people under the Korean-style socialism centred on the popular masses enjoy an independent and creative life to the full in all the fields of social life including politics, the economy and culture.

The citizens in the DPRK exercise equal rights in the state power and participate in social and political life.

The human rights of the working people are harshly violated in the capitalist society where money is everything.

"Human rights" chanted by the bourgeoisie is for the privileged circles who have power and capital in their hands, the working people, the majority of the population, are deprived of elementary vital rights as slaves of money and victims of capital.

The developments over scores of years since the declaration on human rights was published prove that socialism is the best system in the world which gives and defends the true freedom and happiness of the working people.

The Korean people, well aware that their happy life today can be guaranteed forever only when socialism is firmly defended and exalted, are vigorously fighting for the accomplishment of the socialist cause.

Pomminnyon Chairman Demands Kim Yong-sam Resign

SK1112095095 Pyongyang KCNA in English 0940 GMT 11 Dec 95

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA) — Yi Han-kyong, chairman of the European Regional Headquarters of the National Alliance for the Country's Reunification (Pomminnyon), made public a statement on December 5 denouncing the Kim Yong-sam group for arresting Chairman Kang Hui-nam and other hardcore members of the South Side Headquarters of Pomminnyon on November 29 on charge of the violation of the "National Security Law".

He said that the Kim Yong-sam "civilian" fascist clique are intensifying the suppression of the pro-reunification patriots in a bid to divert elsewhere the attention of the people who are demanding the opening to the public of the "presidential election" fund and the punishment of the May 18 Kwangju murderers and find a way out from the serious ruling crisis.

He noted:

The Kim Yong-sam "regime" is putting pro-reunification patriots in fetters by invoking the "National Security Law", an anti-reunification evil law, in order to use it for "security of power". This will lead to digging their own grave by themselves. The Kim Yong-sam "regime" should give up a third-rate trick and honestly open to the public the "presidential election" fund. This is the only way of repenting, even a little, of the anti-national, anti- reunification deeds they have committed in the past. Kim Yong-sam must remember the miserable end of the successive rulers.

He demanded the immediate release of 29 pro-reunification patriots of the South Side Headquarters of Pomminnyon and the repeal of the "National Security Law", the anti-reunification evil law.

He also demanded the resignation of the traitor Kim Yong-sam who is suppressing the non-governmental reunification movement.

Kim Chong-il Praised as 'Tender-Hearted Father'

SK1112094095 Pyongyang KCNA in English 0928 GMT 11 Dec 95

["Tender-Hearted Father of People" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA) — The great leader Comrade Kim Chong-il is the tender-hearted father of the people.

He spares nothing for the people.

One summer day a few years ago, a worker of a construction site in the Mt. Naektu area was on the verge of death.

As soon as he was informed of this, Comrade Kim Chong-il took an emergency measure to dispatch a plane carrying able doctors, medicines and medical apparatuses.

The medical fees for the patient were estimated to be equal to the wages paid to a constructor for 200 years.

The warm love of Comrade Kim Chong-il for the people is also associated with the Pyongyang Maternity Hospital.

One day in September 1979, while acquainting himself with the construction of the hospital, he came to know that some floors of the hospital were planned to be covered with artificial stones.

Saying that marble must not be spared for the hospital because it is a palace where the "kings" of the country were born, he took care that all the floors of corridors and stairways were coated with marble.

And he said that jewel decorations must be used no matter how much they may cost.

Thus, the floor of the central entrance hall of the hospital was coated with a "jewel carpet."

The natural jewel used for this purpose weighed almost 35 tons.

He explodes anything precious in a moment if it is harmful to the interests of the people.

It was when an uptodate air-tight furnace was to be commissioned at the Nampo Smelting Complex (now the United Nampo Smeltery) in the spring of 1983, 12 years ago. Comrade Kim Chong-il acquainted himself with the production processes of the ten "sintering furnaces of the style of the oven of the first-stage iron-processing" and said that however valuable the facilities and non-ferrous metal were, they must be exploded without hesitation if they did harm to the working condition and health of the workers even a little.

Countless are stories of love shown by Comrade Kim Chong-il to our people.

So, the Korean people hold Comrade Kim Chong-il in high esteem as their tender-hearted father who is the same with the great leader President Kim Il-song and remain loyal to his leadership.

Kim Chong-il Thanks Units, Officials, Workers

SK1112052195 Pyongyang KCNA in English 0245 GMT 11 Dec 95

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to 22 members of the primary organisation No.3 of the League of Socialist Working Youth of Korea of the export garment processing office of the external service bureau of the Administration Council who volunteered to manage the Kum Song street.

They volunteered to manage the street, determined to devote their youth to well cleaning and equipping in a beautiful way the Kum Song street adjacent to Kumsusan Memorial Palace, the supreme holy place of chuche, with infinite loyalty to the great leader President Kim Il-song.

Comrade Kim Chong-il also thanked the officials of the Pyongyang cigarette paper factory of the Korean Tobacco Group, the Pyongyang slag prefab factory and the direct sales store of the State Light Industry Commission, Kim Kum-il of Songam-tong, Kim Chaek city, North Hamgyong Province, and other officials, working people and families for their exemplary assistance to the People's Army.

Groups Praise Kim Chong-il as 'Great Leader'

SK1112100395 Pyongyang KCNA in English 0948 GMT 11 Dec 95

["'General Kim Chong-il Is Great Leader'" — KCNA headline; spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA) — Foreign friends have highly praised the great leader Comrade Kim Chong-il, with deep reverence for him.

Vishwanath, secretary general of the Chuche Idea Study Society of India, said: Comrade Kim Chong-il is a genuine people's leader, possessed of both literary and military accomplishments and loyalty and filial piety. He is a distinguished general, who has rare wisdom, outstanding strategy, ever-victorious commanding art, iron will, matchless courage and all other noble characters and qualifications that a great brilliant commander should have.

Ravindra Nathroy, chairman of the All-India Students Federation, said His Excellency Kim Chong-il, the great leader, is leading the cause of chuche, the human cause of independence, to a brilliant victory with his gifted wisdom and rare grit, his unique ideological and theoretical activities and outstanding leadership over the revolution and construction.

His election as supreme commander of the Korean People's Army has firmly guaranteed the accomplishment of the cause of chuche in Korea and the global cause of independence, he added.

Joseph Macheka, member of parliament of Zimbabwe, said the great leader Comrade Kim Chong-il, with his rare intelligence and distinguished commanding art, has firmly built up the nation's defence capacity and strengthened and developed the Armed Forces of the DPRK into the revolutionary Armed Forces each of whose members is a match for a hundred foes.

Today socialist Korea has a self-reliant defence capacity enough to repulse any imperialist aggression at one stroke and the Korean People's Army has been fully prepared so that anyone dare not invade an inch of land nor touch a blade of grass of the country, he stressed.

These achievements are a result of the outstanding and seasoned leadership of the great General Kim Chong-il, he added.

Momo Camara, professor of the University of Conakry of Guinea, said: The Korean People's Army, whose supreme commander is dear General Kim Chong-il, will emerge victorious and no aggressor will daringly break the force of the Korean people who are vigorously building their own characteristic socialism.

Indeed, Marshal Kim Chong-il is an iron-willed brilliant commander, who is leading the Korean people and the People's Army to victory and glory with his rare intelligence and wise leadership, and a great leader, who enjoys unbounded reverence from all the peoples, he said.

Trade Unions Federation Holds Plenary Meeting

SK1012083495 Pyongyang KCNA in English 0630 GMT 10 Dec 95

["30th Plenary Meeting of GFTUK Central Committee" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 10 (KCNA) — The 30th plenary meeting of the Central Committee of the General Federation of Trade Unions of Korea [GFTUK] was held here on Saturday.

The meeting focussed on thoroughly carrying out the tasks set out in "the Workers' Party of Korea is the party of the great leader Comrade Kim Il-song", a famous work of the great leader Comrade Kim Chong-il, and "Let Us Accomplish the Revolutionary Cause of Chuche Under the Banner of the Great Party", a joint editorial of the newspapers NODONG SINMUN, CHOSON INMINGUN and NODONG CHONGNYON.

A report of Chu Song-il, chairman of the GFTUK Central Committee, was followed by speeches at the meeting.

The plenary meeting adopted relevant decisions.

Importance of Ideological Work Stressed

SK1012082095 Pyongyang KCNA in English 0643 GMT 10 Dec 95

["Scientific Explanation of Features of Socialist Ideological Transformation" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 10 (KCNA) — The great leader Comrade Kim Chong-il profoundly explained the features of the socialist ideological transformation in his famous work "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism."

NODONG SINMUN in a signed article today says:

The working-class party fighting for socialism should conduct effective ideological work purposefully in order to equip the people with the socialist ideology. This important requirement emanates from the features of the socialist ideological transformation.

Socialist ideological transformation can be realised only by the working-class party's purposeful ideological work to educate the people in the advanced socialist ideology. It is a difficult and complicated process accompanied by a struggle against all the outmoded, reactionary ideologies.

If efforts are not made purposefully and effectively to educate the people in the socialist ideology, their ideology cannot be transformed along socialist lines even if a socialist system is set up and material and economic conditions are created. Purposeful ideological education is the only way of making the people acquire the socialist ideology as their faith. These are the major features of the socialist ideological transformation.

This transformation is conducted while there remain in the people's minds individualism and other outdated ideas left over by the exploitative society and while bourgeois and all other reactionary ideas infiltrate from outside.

Under this situation, it is impossible to educate the people with the advanced socialist ideology without fighting against outmoded, reactionary ideas.

The idea and theory of the work on the features of socialist ideological transformation are just in that they reflect the historical lesson drawn from the experience of the Korean revolution and the collapse of socialism in some countries.

The collapse of socialism in some countries clearly shows that the people's ideology can be successfully transformed along socialist lines only through a positive ideological education of the working-class party and an uncompromising struggle against all the outmoded, reactionary ideas.

With a chuche view of the features of socialist ideological transformation, the Workers' Party of Korea [WPK] has directed due attention to ideological work, constantly deepened this work in line with the progress of the socialist cause and further strengthened this work as the enemies of socialism acted desperately.

Under the wise leadership of the WPK, ideological education has been conducted in a positive and enterprising way and a struggle against all the outmoded, reactionary ideas been waged successfully. As a result, a radical turn has taken place in the ideological and moral activities of the Korean people and the ideological bulwark of Korean-style socialism has been consolidated into an impregnable one.

The situation of Korea eloquently demonstrates the validity and vitality of the WPK's idea and theory that the socialist ideology can be rooted in the hearts of the people only through a positive ideological education of the working-class party and an uncompromising struggle against all the outmoded, reactionary ideas.

Signed Article Lauds Reunification Plan

SK0912094295 Pyongyang KCNA in English 0900 GMT 9 Dec 95

["Beacon for Independent and Peaceful Reunification of Country" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 9 (KCNA) — NODONG SINMUN today carries a signed article headlined "Beacon Indicating the Road of Independent and Peaceful Reunification of the Country".

The three principles of national reunification — independence, peaceful reunification and great national unity — the proposal for founding the Democratic Confederal Republic of Koryo based on one nation, one state, two systems and two governments and the 10-point programme of the great unity of the whole nation put forward by the great leader Comrade Kim Il-song brightly indicate the road ahead of the movement for national reunification, the paper says, and continues:

Our programmes of national reunification, the most perfect banner of national reunification consisting of the principles of and proposal for national reunification and action programme for their realisation, are the most valuable crystal of the historical exploits performed by Comrade Kim Il-song, the peerless patriot and sun of nation, in the history of the movement for national reunification.

These are patriotic programmes for reunification based on transparent national viewpoint of chuche, which are run through with patriotism and the idea of national independence.

The programmes are the most realistic, reasonable and fair programmes. They have been impartially worked out, taking the desire of the fellow countrymen for reunification and the specific conditions of our country into full consideration, so as to defend the national interests and realise reunification at the earliest date.

It was made clearer by the proposal for founding the DCRK.

The proposal was worked out on the basis of the three priniciples of national reunification which were agreed on and published at home and abroad by the North and the South.

The ten-point policy of the DCRK on adhering to independence in all its state activities and following an independent policy, recognizing and protecting the state, cooperative and private properties in the North and the South as well as personal effects, leaving intact the capital invested by other nations before the reunification of the country and continuing to ensure their concessions has been worked out so impartially and reasonably as to be accepted by anyone who wants reunification.

Our reunification programmes are the political principles to strengthen the motive force of reunification by railing all the fellow countrymen who are interested in national reunification and to achieve the national desire for reunification through the nation-wide movement for reunification.

The "10-point programme of the great unity of the whole nation for the reunification of the country", an inseparable component of the reunification programmes together with the three principles of national reunifiation and the proposal for founding the DCRK, is the summation of the idea of national great unity to strengthen the driving force of reunification.

The programmes are just in view of the interests of the peoples of the surrounding countries and the world.

If the North and South of Korea are reunified independently and peacefully according to the programmes of national reunification indicated by the great leader, there is no country which will suffer a loss.

It is the unanimous faith and will of our nation that we can certainly reunify the divided country and build a reunified, prosperous country, if we carry through the programmes of national reunification indicated by President Kim Il-song, rallied behind the great leader Comrade Kim Chong-il, the destiny and lodestar of the fatherland and the nation.

South Korea

U.S. Declines Comment on F-16 Probe

SK0912041695 Seoul YONHAP in English 0032 GMT 9 Dec 95

[FBIS Transcribed Text] Washington, Dec. 8 (YONHAP) — The U.S. State Department declined to comment on Seoul's investigation of the Korea fighter program conducted under the former government of President No Tae-u, in which the type of next-generation fighters was abruptly changed from F-18 to F-16 for dubious reasons.

In a regular press briefing Friday, the Department's spokesman Nicholas Burns said it would be inappropriate for Washington to comment on the Korean prosecution's probe, citing its "political nature."

"I don't think it's appropriate for us to comment on those events because they're clearly domestic and have to do with the political life of the country and the activities of a number of officials," Burns said, "and it just isn't appropriate for me to comment on that."

The spokesman had been asked if his government would be willing to support Seoul's investigation into its former president No and his staff into allegations that they received kickbacks from the American aerospace company General Dynamics in return for giving the firm a contract to supply F-16 fighters.

However, Burns said, "Our embassy, of course, has been following the events in South Korea."

He also declined to comment any further when queried on the suspicion involving General Dynamics and No.

General Dynamics Obtained Classified Information

SK0812093195 Seoul YONHAP in English 0905 GMT 8 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 8 (YONHAP) — The United States' General Dynamics [GD] had been constantly getting highly classified information on the South Korean Government's choice of its next-generation fighter through a local arms dealer in Seoul, sources at the Board of Audit and Inspection (BAI) said Friday.

BAI inspectors, the sources said, confirmed in their inspection of the Yulgok Project in 1993 that a secretary level official at Chongwadae [presidential offices], identified only as a "Chong," had leaked the information to Sinhan System, an arms dealer, who later delivered it to GD, particularly at the time that the government scrapped its earlier decision to adopt the F-18 and instead decided to buy the F-16.

Having traced such leaks to Sinhan, BAI inspectors reportedly confirmed that the agent sent the information to GD's main office in America.

The BAI was to recommend a reprimand for Kim Chong-hwi, the then senior presidential secretary for foreign and security affairs, for his poor supervision. But the board, since Kim had already fled and gone into hiding in the United States at the time, could not continue to probe into whether the leaking had been done under his instruction or whether he was involved in any bribery, the source said.

But BAI inspectors insist, "Such top level information can never be leaked to a business without a chief presidential secretary's instruction," indicating that Kim did indeed order his staffer to deliver such confidential information.

The leaked information included then President No Tae-u's instructions to the Defense Ministry, his thoughts, the opinions of Kim's office, and the formation of a new team of experts required to reconsider the jet fighter type, they noted.

Meanwhile, the "Chong" in question ducked further questions from BAI, such as the number of times he met Sinhan officials and additional information which he had handed over, they recalled. He later drowned in a boating accident in 1993.

Branch Manager Summoned

SK1112031895 Seoul YONHAP in English 0235 GMT 11 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 11 (YONHAP) — The prosecution summoned Monday Kim Yong-ho, manager of the General Dynamics [GD] Korea branch, for questioning into the possibility that he played a role in the government's decision in 1990 to change the Air Force's main fighter model from McDonnell Douglas F-18s to GD F-16s.

He was asked on whether he received instructions from the American defense contractor for the switch, and if so, whether the company gave rebates to key government officials.

The GD Korea branch manager and former President No Tae-u's senior national security secretary Kim Chong-hwi, who played the key role in the changing of the fighter model, attended the same high school. Prosecutors suspect that the former may have given the latter a bribe.

Kim Song-ung, an engineering consultant who was involved in the fighter model change, was also called in for questioning on whether he had been asked by GD to make a favorable report on the F-16 model. At the time, he was providing engineering consulting services to the government regarding its Korean Fighter Program (KFP) intended to develop the Air Force's next-generation fighter capability.

Just before appearing before prosecutors, both Kim Yong-ho and Kim Song-ung told reporters that they had never met Kim Chong-hwi on matters related to the KFP.

In a related development, the prosecution decided to arrest the former presidential aide on bribery charges upon his return from the United States Tuesday.

He will be charged with having taken bribes totaling 145 million won from three firms, including 80 million won from GD's Korea branch which arranged for the government to import 12 CN-235m medium-size transport planes from the Spanish aerospace firm Casa at a cost of 159 billion won in 1992.

No's former aide will be grilled as to whether he had the then president exert influence on former defense ministers Yi Sang-hun and Yi Chong-ku and former air force chiefs of staff Chong Yong-hu and Han Chu-sok in making the change in the fighter model.

DPRK Makes Investment Presentation in U.S.

SK0912032095 Seoul YONHAP in English 0239 GMT 9 Dec 95

[FBIS Transcribed Text] New York, Dec. 8 (YONHAP) — An investment presentation of North Korea's Najin-Sonbong Free Economy and Trade Zone was held Friday at the Hilton Hotel in Fort Lee, New Jersey, with ranking North Korean officials, including Kim Chong-u, chief of the Area's External Economic Commission, and some 50 ethnic Koreans residing here attending.

A total of 28 foreign businesses have made contracts valued at 266 million U.S. dollars to invest in the special economic bloc thus far, and 20 million dollars of the projected total have thus far been put up, North Korean officials said.

Since the Najin and Sonbong areas were declared free economic sectors in December 1991, the officials explained, Pyongyang has mapped out related laws pertaining to trade zones, land leasing, foreign exchange, and taxes to protect foreign investors.

They added both joint-venture and independent investments are allowed in the economic area.

According to its development plan for the area, North Korea will complete the first stage of modernizing infrastructure in the region by the year 2000, with the second stage slated for completion in 2010, they noted.

Na Sees 'Substantial Progress' in Reactor Talks

SK0912060195 Seoul THE KOREA TIMES in English 9 Dec 95 p 2

[Report by staff reporter Son Ke-yong]

[FBIS Transcribed Text] Dialogue aimed at signing a reactor supply contract between North Korea and an international consortium responsible for the construction of two nuclear reactors is in the "final stage," Deputy Premier-National Unification Minister Na Ung-pae said yesterday.

"North Korea and KEDO (Korean Peninsula Energy Development Organization) has made substantial progress in their talks in New York," Na told reporters.

However, he declined to clarify whether the supply contract would be signed within this month, and only said that the conclusion of the New York talks depends on North Korea's attitude.

Na said that North Korea, reflecting its energy shortages, had expressed keen attention to securing the supply of 500,000 tons of heavy oil, which KEDO is supposed to offer as alternative energy sources annually in exchange for North Korea's freeze of its nuclear activities.

"Our side has endeavored to abide by the principles we have already set forth. In the meantime, North Korea, which is willing to successfully wrap up the talks, is partially yielding to our demands," he said.

However, the chief unification policymaker said that Seoul has no drastic plan in mind even though the supply contract is signed in its favor.

"The successful conclusion of the New York talks will help create a favorable atmosphere for current inter-Korean economic cooperation, particularly pilot projects sought by South Korean companies," he said. As part of pilot programs, Daewoo has been transferring to its North Korean counterpart technologies related to the production of skiwear, he added.

An official at the Office of Light-Water Reactor (LWR) Planning also said that North Korea and KEDO had achieved significant progress in diverse channels of talks.

"North Korean Ambassador Ho Chong and KEDO's Executive Director Stephen Bosworth and Deputy Executive Director Choe Yong-chin have held a series of meetings in New York to discuss the contract. Working-level and expert-level talks are also underway," the official said.

The remaining bone of contention is the scope of additional supplies and the drafting of contract papers, the official said.

He said that North Korea had dropped unreasonable demands like the supply of infrastructure for electricity transmission, while KEDO agreed to provide North Korea with a simulator which is indispensable for nuclear safety.

Currently, both sides are discussing if KEDO will contribute to the construction of road or port facilities near the reactor construction site.

North Korea also wants to prepare contract documents in Korean and other languages while KEDO wishes to limit the language to English, the official said.

"The language issue is of crucial importance to minimize different interpretations of contract papers," he said

Meanwhile, Deputy Premier Na said that it is still hard to predict when North Korea's de facto leader Kim Chong-il will take over such title as state president and general secretary of the ruling Workers Party.

"It is evident that Kim Chong-il is North Korea's unrivalled leader. There is no alternative to Kim," he said. However, the North Korean leadership appears to be nervous about its economic hardship which has aggravated, with no sign of improvement in sight, he said.

Na was pessimistic about the resumption of inter-Korean dialogue which had been suspended since the government-level talks aimed at supplying rice to North Korea.

"North Korea appears to stick to a policy which excludes any dialogue with South Korea. As long as the North maintains the policy, there will be no breakthrough in inter-Korean dialogue," he said.

The government wants North Korea to realize the fact that it cannot get over the current economic hardship without improving relations with South Korea, he said.

The unification minister, recalling this year's unification- related events, expressed sadness at inter-Korean dialogues which deadlocked despite Seoul's supply of 150,000 tons of rice to Pyongyang.

Army Increases Readiness for Infiltration, Attack

SK0912020695 Seoul YONHAP in English
0136 GMT 9 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 9 (YONHAP) — The army decided Saturday to step up its readiness against possible infiltration operations by the North Korean military, strengthening vigils along the demilitarized zone (DMZ) and shorelines.

The decision was made at a meeting of division- and above-level commanders presided over by Chief of Staff Gen. Yun Yong-nam at army headquarters in Kyeryongdae near Taejon.

In his address, Gen. Yun instructed his commanders to take increased measures against infiltration operations by Pyongyang and maintain thorough preparedness for winter operations that would be launched in the case of an emergency, warning of the national security system's vulnerability during the first half of next year.

North Korea, maintaining its isolation from the international community despite a severe economic crisis, is pursuing a military- first policy to strengthen its readiness for war by increasing the offensive power of its armed forces and appointing conservative hard-liners to major military posts, according to the army.

In spite of its severe fuel shortages, the North Korean armed forces have recently increased their combat training programs, while deploying fighters, long-range artillery and other offensive weapons in bases closer to the DMZ in an attempt to create conditions for a surprise attack.

Source Says DPRK Using Rice Aid for Military

OW1012130595 Tokyo MAINICHI SHIMBUN
in Japanese 10 Dec 95 Morning Edition p 3

[By Tetsuo Nakajima]

[FBIS Translated Text] Seoul, 9 Dec — On 9 December, an informed source in Seoul revealed that the DPRK had not given its citizens the rice provided by Japan and the ROK, and had set it aside as reserves instead. This is the first report about the whereabouts of the relief rice. Considering the fact that the DPRK military has escalated its drills lately, the possibility of the DPRK using the rice as military provisions has been noted. The source is believed to have confirmed this by using U.S. military satellites, and electronics and communications equipment.

Following a large air exercise in October, the DPRK deployed bombers, fighters, and multiple rocket launchers [tareaso roketto-ho] near the Demilitarized Zone. In addition, its Air Force has been busily conducting take-off and landing exercises.

According to a ROK newspaper, U.S. and ROK military authorities have considered these actions by the DPRK Forces as merely a demonstration of their strength. However, at the same time, the two nations have strengthened their guard by increasing interceptor flights.

DPRK Citizens Also Legally ROK Citizens

SK0912031895 Seoul YONHAP in English 0131 GMT 9 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 9 (YONHAP) — A court ruling has decreed that North Korean citizens should be regarded as citizens of the Republic of Korea.

The Seoul appellate court Saturday judged in favor of a North Korean woman in reviewing a suit filed against the Seoul foreigners' detention camp demanding the cancellation of its order for her deportation.

"Since a North Korean holding a North Korean citizenship card is also a citizen of the Republic of Korea, it is improper to expel her regarding her as a foreigner," the judicial decree said.

The plaintiff was Yi Yong-sun, 56, who escaped from the North in 1961 and resided in China until August 1992, when she came to South Korea seeking a job. She carried with her both a North Korean citizenship card and a Chinese passport.

Noting that the sovereignty of the Republic of Korea extends to the Korean Peninsula and islands adjacent to it and that the entity of North Korea has never been recognized in any judicial precedents, the presiding judge said, "Yi, who holds a North Korean citizenship card, ought to be regarded as a citizen of the Republic of Korea."

Yi's use of a Chinese passport was her means of entry into South Korea, the panel ruled.

The first such court ruling is expected to invite a rush of nationality suits from such persons now residing in the South.

Kim Tae-chung Gives View on DPRK Succession

SK1012085295 Seoul MUNHWA ILBO in Korean 10 Dec 95 p 2

[Report by Yi Hyon-chong]

[FBIS Translated Text] Kim Tae-chung, president of the National Congress for New Politics [NCNP], on 7 December said, "North Korea's Kim Chong-il has continued to rule by Kim Il-song's behest without being able to succeed to the North Korean presidency. This is due to the objection of hard-liners in the military, the so-called revolution's first generation."

NCNP President Kim Tae-chung made this statement after he attended a graduation ceremony of an Asia-Pacific Academy class held at the Sogyo Hotel in Seoul on 7 December. He went on to say, "While seeking openness and international cooperation on the one hand, North Korea is unable to achieve openness because if North Korea opens up, the Armed Forces troops would be reduced and the military budget would be cut, thereby shrinking the position of the military. The hard-liners in the military are afraid of this."

President Kim Tae-chung said, "The establishment of the liaison offices between the United States and North Korea is delayed because North Korea cannot afford to pay foreign currency to rent an office in Washington. The military is opposed to the North Korean-U.S. agreement to transport the goods and equipment necessary for the U.S. liaison office in Pyongyang through Panmunjom."

President Kim Tae-chung said, "North Korea, though reluctantly, will eventually open up. Therefore, we ought to induce North Korea to reconciliation and openness so that the moderate forces in North Korea may gain strength."

Japan: ROK Should Develop Own Technology

SK1012043595 Seoul THE KOREA HERALD in English 10 Dec 95 p 8

[FBIS Transcribed Text] Korea should develop its own technology rather than trying to become a "second Japan" to rectify a bilateral trade deficit which is estimated to top $16 billion this year, said Japanese Government and business officials.

According to a survey on Japan's competitiveness and measures to promote Korea-Japan cooperation, the respondents noted that many Korean companies still seem to believe buying machinery and other capital goods from Japan is more advantageous than developing their own technology. "The Korean firms should drop this way of thinking as soon as possible," they said.

Korea Foreign Trade Association's [KFTA] Tokyo branch conducted the poll on 36 Japanese bureaucrats, officials of major business associations, economists and corporate executives.

As to how to develop technology, they said large Korean enterprises should further promote strategic alliances with their counterparts in industrial countries and facilitate mergers and acquisitions of promising firms overseas. The pollees also advised the small- and medium-sized businesses to seek advances into other Asian nations jointly with Japanese partners.

Korea's exports to Japan, now focused on merchandise shipments, need to be diversified by including more agricultural products and service industries, they said.

Seoul's scheduled entry into the Organization for Economic Cooperation and Development (OECD) next year will give it an advantage of receiving regular "economic health checks by industrial countries," said the Japanese economic experts."

On the other hand, the greater capital liberalization will accelerate the international corporations' M&A [mergers and acquisitions] of Korean companies, confusing the domestic industrial order, the experts pointed out.

Korea's membership into the 26-member group of industrial countries will also push up Korean companies' overall costs because of enlarged foreign aid and stricter enforcement of intellectual property rights and greater emphasis on environmental protection, they said.

"Instead of merely trying to become another Japan, Korea should successfully overcome the current pains resulting from restructuring of the system and establish its own image heading for an open nation," the Japanese economic experts were quoted as saying by the KFTA poll.

Daily Views Japan's Move To Be 'Military Power'

SK0812144195 Seoul KYONGHYANG SINMUN in Korean 8 Dec 95 p 3

[Editorial: "Is Japan Moving to Become a Military Power?"]

[FBIS Translated Text] Japan's moves to strengthen its defense capabilities are remarkably active these days. Following the recent revision of Japan's national defense program by the Japanese Government, the Japanese Defense Agency presented, in a security meeting held a couple of days ago, a mid-term plan to reinforce defense capabilities, which costs as much as 25,720 billion yen. The sum will come to about 185 trillion won in Korean currency, reaching astronomical figures. Japan is planning to use this amount of money to strengthen its defense capabilities over the next five years.

Japan's national defense program, which was revised for the first time in 19 years, features the improvement of the Self-Defense Forces in quality and Japan's active participation in the UN peacekeeping operations. Japan has also opened a new way for the export of its weapons. The Japanese Government's will for military reinforcement is supported by the huge budget for this plan. We believe Japan's moves to become a military power not only make neighboring countries react sensitively, but also may break peace in Asia.

Besides this, many other unusual moves shown in Japan this year, when the 50th anniversary of the defeat in the war was marked, caused neighboring countries' doubts. The demonstration of Japanese rightists' power was the most striking. The Japanese rightists held a strange rally entitled "Friendship Rally Commemorating the Coexistence and Co-prosperity of Asian Countries," demonstrating their unity and heightening their voices. Almost all important politicians of Japan participated in the rally. In addition to this, Japanese officials made absurd remarks in succession. These right-leaning moves by Japan were enough to cause the people to wonder where this country is headed.

We particularly worry about Japan's moves toward military independence. A recent sex violence incident against a Japanese elementary school student by an American soldier stationed in Okinawa provided Japan with a good opportunity to naturally express its hidden desire for military independence. The governor of the Okinawa Prefecture, who had a plan for the complete withdrawal of the U.S. Army base from Okinawa by 2015, refused to renew the lease of the U.S. Army base under the ruse of the sex violence. Rather than being considered a sudden occurrence, Japan's refusal to renew the lease of the U.S. Army base in Okinawa reflects Japan's current atmosphere.

Japan's full-fledged operation of high-speed breeders, which began this year, also seems usual to us. The Japanese Government stresses that it will use nuclear energy for peaceful purposes. However, reprocessed plutonium, with which it is possible to produce nuclear weapons, is used as fuel for Japan's high-speed breeders. Under these circumstances, how can the neighboring countries restrain their concerns about Japan's moves to become a military power? For the sake of peace in East Asia, the Japanese Government is urged to prudently deem how its plan for arms buildup may appear to its neighboring countries.

Jiang Requests Report on ROK Economic Model

SK1012035695 Seoul YONHAP in English
0044 GMT 10 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 10 (YONHAP) — Chinese President Jiang Zemin has ordered an in-depth report on the Korean economic development model when he returned from his state visit to Seoul last month, the influential ASAHI SHIMBUN reported Sunday in its story datelined Beijing.

Quoting sources in the Chinese capital, the paper said the Chinese head of state was especially keen on South Korea's official measures to control private economic activities.

The paper went on to say that Jiang showed an extraordinary interest in technology and productivity when he visited the Hyundai Motor Co. and the Samsung Electronics Co. in South Korea. A former engineer, the top Chinese official shot off a number of sharp questions on technological matters during his visits to those companies' plants.

China's Foreign Ministry and the External Trade and Economic Cooperation Dept have already been engaged in a study on South Korea's industrial policy and the successive five-year economic development plans implemented since the early 1960s, the mass-circulation Japanese daily said.

Explaining that big conglomerates or "chaebol" have played a key role in Korean economic progress, China, too, is on the verge of launching similar business groups centered around some 1,000 key companies throughout China.

Envoy to PRC Says Military Ties 'Desirable'

SK0812131595 Seoul YONHAP in English
1258 GMT 8 Dec 95

[FBIS Transcribed Text] Beijing, Dec. 8 (YONHAP) — South Korean Ambassador Hwang Pyong-tae said Friday it would be desirable for South Korea and China to promote military cooperation as they have cemented the foundation of economic cooperation over the years.

In a farewell meeting with South Korean correspondents residing in the Chinese capital, Hwang, who will return to Seoul Sunday winding up two and half years of his service in China, added if the two countries develop a full-fledged military cooperation, the possibility of war would virtually disappear from the Korean peninsula.

Before the press meeting, he paid a courtesy call on President Jiang Zemin, Premier Li Peng, Foreign Minister Qian Qichen, Defense Minister Chi Haotian and many other Chinese Government leaders to make his farewells.

His farewell meetings with President Jiang and Defense Minister Chi were taken by diplomatic sources here as "exceptional."

Hwang was instrumental in the visits to Seoul by Premier Li in November last year and President Jiang last month.

The Chinese leaders have a special interest in promoting cooperation with South Korea, and President Jiang's trip to Seoul last month has greatly increased such an interest among Chinese leaders, he remarked.

The two countries have initiated joint-development projects in the aircraft, automobile, telecommunications, high-definition television and nuclear energy industries over the years.

Noting that military cooperation and exchange, a fishery agreement, a South Korean consulate-general in Shenyang and the abduction of Christian Minister An Sung-un to North Korea from China are the pending issues between the two countries, Hwang predicted that these issues will be settled in the near future.

Chinese leaders now appear harboring increased hope for Korean reunification in view of their need to expand cooperation with South Korea, he said.

"I understand that they think North Korea would not make any military provocations, taking South Korea's current political tangle as an opportune time," Hwang added.

Gorbachev Received Money From No in 1991

SK0912131095 Seoul TONG-A ILBO in Korean
9 Dec 95 p 2

[Report by Mun Myong-ho from Moscow]

[FBIS Translated Text] In an interview with PRAVDA on 8 December, Valeriy Boldin, [name as transliterated], former head of the administration office in the Soviet Presidential offices, revealed that when former Soviet President Mikhail Gorbachev visited Cheju Island on his way home from a visit to Japan in April 1991, he received $100,000 from then ROK President No Tae-u.

Boldin said that he heard this first from Vladimir Kryuchkov [name as transliterated], chairman of the National Security Committee (KGB), and that President Gorbachev was uncomfortable because of this money.

Boldin added that he was called in by President Gorbachev a few days after his return to Moscow and was directed to study how the money should be spent.

He then prepared a document on the plan to donate this money to hospitals treating children and other patients victims of the Chernobyl accident, and submitted the document to Gorbachev for approval. However, Gorbachev did not sign the document.

He revealed that there was a regulation providing that the Communist Party's Political Bureau members should turn in to the party the remuneration for writing and royalties on their books received from foreign countries, and return gifts to the national treasury. He stated that he was surprised that the standard-bearer of Perestroyka received such money.

Besides, Kryuchekov, then KGB chairman, hearing the report that Gorbachev received money, said "it is reckless act," and that he was disappointed with Gorbachev failing to inform him of this after he returned home.

'Key' Members of Ex-President's Staff Questioned

SK0912060595 Seoul YONHAP in English
0256 GMT 9 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 9 (YONHAP) — The prosecution summoned Saturday morning Rep. Ho Sam-su of the ruling New Korea Party [NKP] to question him about his role in the 1979 army putsch masterminded by then Defense Security Commander Maj. Gen. Chon Tu-hwan.

At the time of the coup, Ho was a key member of Chon's staff.

Ho's interrogation will reportedly focus on how the arrest of then Army Chief of Staff and Martial Law Commander Gen. Chong Sung- hwa had been planned as well as how Chong had been hauled away from his official residence on the evening of Dec. 12, 1979.

Pan Il-pu, then management officer of Chon's official residence, and Kim Yong-chin, who was an orderly at the residence at the time, were also called in to be cross-examined along with Ho on Chong's arrest.

In addition, the prosecution summoned Pak Chong-kyu, 15th battalion commander of the Third Airborne Brigade at the time, to ask him how he arrested then Special Warfare Force Commander Maj. Gen. Chong Pyong-chu and how he killed his chief aide Kim O-rang during the night of the coup in December 1979.

In the near future, the three other key members of Chong's staff in the putsch — former lawmakers Kwon Chong-tal and Yi Hak-pong and incumbent lawmaker Ho Hwa-pyong — are slated to be called in for questioning.

Former President Refuses Summons

SK0912061595 Seoul YONHAP in English
0301 GMT 9 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 9 (YONHAP) — Former President Choe Kyu-ha notified the prosecution Saturday that he will decline its summons for him for questioning on what transpired during the Dec. 12 military mutiny in 1979 and the May 18 bloody crackdown on Kwangju pro-democracy uprising in 1980.

Choe's refusal of the summons was conveyed by his legal counsel Yi Ki-chang to Senior Prosecutor Kim Sang-hui of the Seoul District Prosecutor's office at 10 AM [0100 GMT] Saturday.

Yi later told reporters, "I've conveyed to the prosecution Choe's intention not to respond to the summons on the same grounds that were given when he refused the prosecution's probe in September 1994."

Choe then argued that it would leave a bad precedent in constitutional history for a former head of state to respond to a prosecution probe into official matters that took place during his or her tenure of office.

Having waited for Choe until 10 AM Monday, the prosecution, in yet another attempt to question him, plans to send an investigation team headed by Kim Sang-hui to the ex-president's Sogyo-tong residence in western Seoul.

In the event that Choe also rejects being interrogated at home, prosecutors are considering summoning him to court for questioning before the first trial begins for suspects involved in the Dec. 12 and May 18 incidents.

Prosecution Probes Chon, To Question Chaebol

SK0912041395 Seoul YONHAP in English
0114 GMT 9 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 9 (YONHAP) — The prosecution said Saturday that it has begun a full-fleged probe into allegations that former president Chon Tu-hwan amassed a slush fund.

The special investigation headquarters dealing with the Dec. 12 military coup and May 18 bloody suppression is again summoning the chiefs of the 30 largest domestic conglomerates to hotels and inquire into whether they bribed Chon, including when and how much.

The business tycoons had been summoned earlier for questioning for their alleged involvement in former President No Tae-u's slush funds.

Since the statute of limitation for graft is 10 years and it does not include the period of a presidential term of the person implicated, Chon can additionally be indicted on graft charges if they are confirmed.

The statute of limitation for bribery possibly involving the chaebol heads has already expired.

The prosecution has also begun to look into bank accounts of Chon and his relatives, with the help of the bank supervisory commission and the national tax administration.

Papers Comment on 'Tense' Political Situation

SK0812121395

[FBIS Editorial Report] The following is a compilation of editorials published in ROK vernacular dailies on 8 December on the current political situation of the ROK following the disclosure of No Tae-u's secret funds and the arrest of Former Presidents No Tae-u and Chon Tu-hwan.

The conservative CHOSON ILBO carries on page 3 a 800-word editorial entitled "Are 'Kang Sam-chae's Remarks' Founded?" The editorial characterizes New Korea Party leader Kang Sam-chae's allegation that the National Congress for New Politics leader Kim Tae-chung received more than the disclosed 2 billion won from former President No Tae-u as a "political offensive," and notes this has made "big waves in political circles." The editorial notes "as a result of the prosecution's investigation into No's secret funds, nothing supports Kang's remarks," and stresses Kang should give "some sort of explanation about his groundless remarks."

The editorial continues: "We mention again this matter so as to emphasize the importance of responsible actions by public persons and to accuse politicians' mean political behaviors based on rumors or hearsay." The editorial notes: "Kim Tae-chung set out about desperate countermeasures for the full-fledged execution of the ruling party's 'Kim Tae-chung-killing operations' and, as a result, confrontation between ruling and opposition parties has become all the more acute and the political situation has become tense. Some people view that President Kim's declaration on the legislation of a special law on the Kwangju incident was made as an extension of this situational development."

The moderate TONG-A ILBO carries on page 3 a 800-word editorial entitled "How To Break Through the Tense Political Situation." The editorial says "we are now on an unprecedented flux of rapid change" and a "watershed of history crucial to the future of the country and the nation." Then, the editorial stresses on the "need to clarify our view" on several political issues. First, regarding the legislation of a special law on the Kwangju incident, the editorial expresses concerns about the "possibility that the legislation of the law may fail due to conflicts over the introduction of the special prosecutor system" and urges opposition parties to "abandon their insistence on introducing the system so as to achieve an early enactment of the law."

Second, with regard to the "punishment of the new military forces involved in the 12 December coup," the editorial stresses "this issue must be resolved based on the principle of 'observing the law,'" and says "now, it is the most urgent task to realize justice based on the law." Third, the editorial notes "the current political situation has indeed problems because not only official meetings but also nonofficial dialogue channels between the ruling and opposition parties have completely frozen," and urges the political circles to "revive politics through dialogue."

The left-leaning HANGYORE SINMUN carries on page 3 a 800-word editorial entitled "Chon Tu-hwan's Fast and Stubbornness." The editorial criticizes Chon's remarks that he observes a fast "to protect the 'legitimacy' of the Fifth Republic" as a "serious point at issue," and asks back: "What is on earth the 'legitimacy' of the Fifth Republic?" Noting "the 12 December coup decisively frustrated the democratization of politics, the society, and the military; with the exception of wars, the Kwangju massacre was the worst tragedy of modern history," the editorial stresses those involved in the incidents "must be strictly investigated and tried according to the law."

The editorial mentions an analysis that "Chon's fast is aimed at showing his super strong offensive against President Kim, as well as winning the masses' sympathy," and continues: "However, no matter what his targets may be, he is under an illusion. The trial of the military dictatorial regimes led by Chon and No is now out of President Kim's hands. The Kim Yong-sam regime is now unable to run counter to the current of the 'movement for a trial by the present age,' which almost all social circles are unanimously calling for." The editorial concludes by urging Chon to "make an open apology" for the 12 December and Kwangju incidents and to "submit to the judicature's actions meekly."

NKP Chairman Accepts Resignation of Critic

SK1012042195 Seoul THE KOREA HERALD in English 10 Dec 95 p 2

[Unattributed report: "Kim Y.W.'s Absence Seen as Protest Against Distractors"]

[FBIS Transcribed Text] Rep. Kim Yun-hwan, chairman of the ruling New Korea Party, [NKP; the new name for the ROK's ruling party, previously known as the Democratic Liberal Party, or DLP] who was absent from his office Friday, returned to work yesterday morning.

One of the first things he did yesterday was to accept a resignation from Yi Yong-hui, head of the party's think tank, who had called for the oust [as published] of old-guard politicians, including Kim.

When Kim did not report to work Friday, speculation had it that he was protesting against what his distractors were doing against him despite President Kim Yong-sam's earlier assurances that the party was under his control.

When he met with the ruling party chairman Tuesday, President Kim persuaded him to remain as the No. 2 man in the party hierarchy.

President Kim said he was putting an end to the "legacies" of former Presidents Chon Tu-hwan and No Tae-u, whom he sent to jail on treason and corruption charges, but not severing ties with politicians who had worked for them.

Those assurances were given when Kim Yun-hwan offered to resign from the post of party chairman on the grounds that he did not support the way President Kim was handling the Chon and No cases.

The blitzkrieg arrest of Chon on the early morning of last Sunday drew criticism from lawmakers from Taegu and North Kyongsang Province, the political power base of the former Presidents.

Apparently worried about the possibility of a mass defection from the party, President Kim threw his weight behind Chairman Kim, who is from North Kyongsang Province, when he said the chairman will pull the party through the general elections scheduled for next April.

The demand for a change in the party leadership from a faction of lawmakers loyal to President Kim subsided after he promised to back the chairman up on party operations.

But Yi Yong-hui, representative director of the Youido Institute, the party's think tank, continued to demand the party sever ties with politicians who served former Presidents Chon and No.

"Those who led the Fifth and Sixth Republics (of former President Chon and No, respectively) cannot lead the party as well," Yi said in an interview with a news weekly, the SISA JOURNAL.

Yi's interview apparently galled Chairman Kim, who said he excused himself from his office Friday because he had shoulder pain.

After accepting Yi's resignation, Chairman Kim said President Kim's administration is stopping wrong practices of the Fifth and Sixth Republics, not cutting off ties with those who participated in them.

"What counts is whether or not we are determined and prepared to take part in the reforms the civilian government (under President Kim) is promoting," Chairman Kim said at a meeting of senior party officeholders yesterday morning.

Emerging from the meeting, Chairman Kim told reporters that his Minjong faction of lawmakers, politicians left over from the Fifth and Sixth Republics, is not at loggerheads with the Minju faction of President Kim's loyalists.

"We cannot afford to have factional strife," he said. But despite his denial, there is no telling when factional infighting will surface again.

After all, 12 lawmakers of the Minjong faction went against the party leadership's persistent persuasion and chose not to sign the party's bill on the punishment of Chon and No.

The bill was signed by 111 of the 166 party lawmakers when it was submitted to the National Assembly Thursday.

Dailies Discuss Former Presidents' Secret Funds

SK0912084895

[FBIS Editorial Report] The following is a compilation of an editorial and a report published by ROK vernacular newspapers on 9 December in connection with the investigation into former ROK Presidents Chon Tu-hwan's and No Tae-u's slush funds.

The moderate TONG-A ILBO carries on page 3 an 800-word editorial entitled "All Black Money of Chon and No Should Be Returned." The editorial calls for "stern punishment" and "retrieval of all black money to the national treasury," and states that corruption cannot be eradicated if released prisoners can still enjoy luxurious lives. The editorial welcomes the court decision to freeze No Tae-u's assets and calls for the same for Chon Tu-hwan. The editorial denounces Chon Tu-hwan's luxurious life after retirement and points out that, prior to his departure to Paektam Temple, Chon said he would donate all his assets to the national treasury, but has yet to keep his word. The editorial concludes that public officials should be ashamed of leading luxurious life after retirement.

The moderate KYONGHYANG SINMUN carries on page 1 a 500-word report by Kang Chin-ku and Cho Chong-nae on the progress of the prosecution's probe into Chon Tu-hwan's secret funds. The report notes that the 12 December and 18 May Seoul Prosecution special investigation team suspects that Chon's secret funds were used for the June local election and began investigating politicians who received Chon's money. It reports that the investigation revealed that "billions of won were withdrawn from Chon's secret accounts in June" of 1995 and that the prosecution suspects Chon of exercising influence in politics until recently. To investigate the amount and providers of Chon's secret funds, the prosecution will reinvestigate 30 top chaebol heads beginning next week, but they will not be summoned to the prosecution, as the statute of limitations has expired.

'Discord' in Ruling Party Said 'Deepening'

SK0912061295 Seoul THE KOREA TIMES in English 9 Dec 95 p 2

[Report by staff reporter Pak Sung-yong]

[FBIS Transcribed Text] Chronic discord in the nation's ruling party, which changed its name to the New Korea Party from the Democratic Liberal Party on Wednesday, shows signs of deepening.

Chairman Kim Yun-hwan of the party did not show up at his office yesterday after reportedly being scolded by President Kim Yong-sam, also party president, over his Thursday remark concerning the upcoming cabinet reshuffle.

Kim told reporters "off the record" that President Kim is likely to carry out a sweeping reshuffle of the Cabinet around Dec. 16, affecting Prime Minister Yi Hong-ku.

But his remark only caused a stir inside and outside the party. President Kim, who is overly sensitive about elaborating on the matter regarding change of personnel, reportedly got angry.

Chairman Kim's aides said his shoulder pain prevented him from coming to office, dismissing press reports as if Chairman Kim was intentionally staying away from his office, but observers said there may be some other factors.

Some party officials said his move may have been prompted by "invisible" protest from those loyal to President Kim that he remains the chairman of the party, reversing his earlier decision to step down.

And those with deep links to former presidents Chon Tu-hwan and No Tae-u are said to be giving a sidelong glance to chairman Kim because he is holding on to the party's second highest post, next only to President Kim.

Other officials said Chairman Kim might have been chided by President Kim over a refusal of followers of the two former presidents now in jail to sign a draft of a special law to punish them for masterminding the 1979 coup and the subsequent Kwangju massacre.

The party made an unprecedented decision at a party leadership meeting to collect signatures of all 166 party lawmakers for the draft of the special law to show off its solidarity.

But 11 lawmakers, mainly from the military-backed ex-presidents' home town of Taegu and its surrounding Kyongsagnpuk-to, reportedly refused to sign, saying that the law is apparently retroactive, thus unconstitutional.

What is worse, reports said that some of them will quit the party in protest against President Kim's handling of the past affairs. Some of them plan to meet this coming Monday to discuss their future course of action.

Voices against the punishment of former president Chon are also heard in the party. Rep. An Mu-hyok told a meeting outside the party, "History can also be distorted when political power enforces law arbitrarily," apparently aiming at the sudden arrest of Chon on Sunday.

Though Chairman Kim, close to Chon and No, retracted his decision to resign after being told by the President to lead the party for the crucial parliamentary elections next April, he can be replaced depending on the direction of the political situation.

Party Secretary-General Kang Sam-chae, a lawmaker loyal to President Kim, vowed to do his best to support the chairman. But he ignored Kim's order to fire Yi Yong-hui, head of the party's think- tank, over his recent interview with a weekly, by just warning him.

In the interview, Yi claimed those who "served the two ex- presidents should not lead the party, nor be key players in the nation's drive for reform and be driven out of the party."

Yi chose to voluntarily resign as chairman of the Yoido Research Institute instead of being sacked, after apologizing to chairman Kim over his remarks.

Corruption Scandal Weakening Party Cohesion

SK0912053695 Seoul THE KOREA HERALD in English 9 Dec 95 pp 2, 3

[FBIS Transcribed Text] With the National Assembly under its control, the ruling New Korea Party has had little difficulty in overriding opposition and passing its bills in the past.

But it may not be easy this time for the majority party to pass its bill on the 1979 military coup and the 1980 bloody suppression of the Kwangju civil uprising.

Difficulties are coming from within the ruling party as well as opposition parties, which have introduced their own bills to the National Assembly.

A sizeable number of lawmakers affiliated with the ruling party are revolting against the bill.

The ruling party had collected signatures on the bill from 111 of its 166 lawmakers when it submitted its bill to the 290-member National Assembly Thursday.

All of those who did not sign the bill are not regarded as opposing the bill. The party said some lawmakers could not sign it because of their schedule.

At the same time, there is no reason to believe that all of those who signed the bill will vote for it. Some of them may have signed it against their will.

Rebellion within the ruling party is coming from lawmakers who are loyal to former Presidents Chon Tu-hwan and No Tae-u, who launched the military coup as Army generals in December 1979, and allegedly masterminded the suppression of a civil uprising in Kwangju in 1980, which left nearly 200 killed and more than 2,000 injured by official count.

Chon created a political party after crushing opposition to the coup and led it until he handed over its control to his successor No in 1988. No merged the party with two opposition parties, one of them led by President Kim, in 1990.

More than 100 lawmakers of the ruling party, now classified as the Minjong faction, were nominated to run in the parliamentary election when Chon and No were in office.

Opposition parties expressed concern about the organized rebellion of Chon and No loyalists against the proposed special law on the 1979 coup and the 1980 Kwangju incident.

The main opposition party, the National Congress for New Politics, said it is dismayed at the news report that about 50 ruling party lawmakers are opposed to the proposed law.

"We urge President Kim Yong-sam and ruling party lawmakers to embrace a historical mission of putting an end to the legacies of the military-backed governments," said Pak Chi-won, spokesman of the main opposition party. "We are determined to enact the law during the current session (of the National Assembly)."

Another opposition party, the Democratic Party, said the challenge of the ruling party lawmakers is serious enough to warrant cooperation among rival parties.

Rep. Kim Won-ki, a senior lawmaker of the Democratic Party, said the ruling and opposition parties should meet to discuss an organized challenge.

The revolt of the Chon and No loyalists is weakening the ruling party, which is contacting opposition parties to negotiate the passage of its bill through the National Assembly during its current regular session, scheduled to end Dec. 19.

One major issue for negotiation is the demand by the opposition parties that politically neutral prosecutors be appointed to investigate the coup, a revolt against it and its suppression.

The opposition parties demand special prosecutors, selected from a pool of lawyers recommended by the Korean Bar Association, should replace the prosecution, which decided not to indict the former presidents in July this year. It recently reversed its earlier decision all of a sudden and arrested them.

Claiming that the Korean legal framework does not permit the appointment of special prosecutors, however, the ruling party maintains the prosecution, which has the two former Presidents in its custody, should continue its investigation into their treason and corruption charges.

Under these circumstances, the ruling party would have to whip its potential defectors back into line, win over support from individual opposition lawmakers to build a majority, or make a compromise with opposition parties.

None of the options are easy to take, though.

NCNP Reiterates Call for Dialogue

SK0912031995 Seoul YONHAP in English 0218 GMT 9 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 9 (YONHAP) — The opposition National Congress for New Politics (NCNP) Saturday reiterated its call for a meeting between President Kim Yong-sam and the heads of the four political parties to discuss ways out of the current political turmoil.

It also condemned those opposed to the legislation of a special law on the May 18 incident.

"The political sector should be stabilized and the widespread feelings of uneasiness among the people should be dispelled through talks among political leaders," NCNP Spokesman Pak Chi-won said, adding that his party has no intention to obtain a political compromise through such a meeting.

"We can discuss matters on disclosing the funds spent in the previous presidential election, introducing a special prosecutor and the stopping of oppression against the opposition," he said.

He stressed that a special law on the May 18 incident should be enacted during the rest of the current National Assembly session without fail.

Pak denounced some ruling and opposition party legislators who are moving to oppose the proposed statute's enactment, charging them as being "anti-historical" and "anti-democratic."

Opposition Party Member Convicted of Bribery

SK0812093595 Seoul YONHAP in English 0907 GMT 8 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 8 (YONHAP) — Rep. Choe Nak-to of the opposition National Congress for New Politics was sentenced to one year in prison and a fine of 60 million won on bribery charges in a court here Friday.

The sentence was given by Judge Kwon Sun-il of the Seoul District Criminal Court.

In case his conviction is upheld by the Supreme Court, Choe will be deprived of the right to run in the parliamentary elections slated for next April.

Locals Want Military Facilities Removed

SK0812042195 Seoul THE KOREA TIMES in English 8 Dec 95 p 3

[FBIS Transcribed Text] Local governments, born in the June 27 local elections, have stepped up their demand military facilities be moved out of their counties and wards, saying that they pose an obstacle to their economic development.

According to the Defense Ministry yesterday, such requests have averaged 4 to 5 per month since July, with a total now over 30.

Most conspicuous of the requests submitted thus far are one to remove a military radar site in Sanchon, Kangwon-to, to allow a mountaineering trail and one in Kumchon-tong, Seoul, to allow the construction of high rise buildings.

A ministry spokesman said that most of the requests are for the removal of facilities. In contrast, before local autonomy, they were mostly for the easing of development restrictions on areas near the military facilities.

Instead of negotiating with the heads of the military facilities in question residents often send their petitions affixed with the signatures of the heads of their wards or counties directly to the ministry, he said.

"In case they don't receive a quick response, residents stage protest rallies in front of the facility in question," he said. "They ignore the fact that it can be moved only if the zoning of the land on which the facility stands is changed. And that takes time."

The ministry has drastically been cutting back on development bans in areas near military units or facilities.

National Security Law Seen as Election Issue

SK1012043095 Seoul THE KOREA HERALD in English 10 Dec 95 pp 2, 3

[Report by staff reporter David Cho]

[FBIS Transcribed Text] Shortly after midnight on Oct. 18, 1995, three North Korean spies dressed in frogman suits rose from the waters of the Imjin and quietly leaped onto the river's banks into South Korean territory. These infiltrators brought cameras, pistols equipped with silencers, and the intent to murder.

Before the break of dawn on Nov. 28, 1995, police stormed the homes of 29 members, including some senior citizens, of the dissident group, Pomminnyon. They were dragged out of their homes and arrested; authorities considered them a threat to "national security."

These are not scenes from the latest Tom Clancy spy novel. This is reality in South Korea, a country that is still technically at war with North Korea.

Incidents like these have fueled two opposing camps in South Korea.

One group, pointing to the recent infiltration of North Korean spies, advocates strict security measures. The other, accusing the government of wrongfully arresting dissidents, wants the abolishment of draconian laws formed under past authoritarian governments.

At the heart of the dispute between these groups is a statute called the National Security Law. The debate over this law may prove to be a contentious issue in the next general elections. Opponents of the NSL [subhead] The National Security Law (NSL) is essentially the government's multipurpose instrument to prevent the spread of communism in the South.

It not only prohibits South Korean citizens from visiting North Korea without government approval, but also punishes those who ideologically support the North, belong to an "antistate" organization, or "praise" or "side with" the activities of antistate organizations.

Opponents of the law say that although the NSL may have empowered past authoritarian regimes, it is not befitting to the modern democratic process and current legal system.

"The NSL is not necessary anymore," said Pak Won-sun, a lawyer who published three volumes on the unconstitutionality of the NSL. "We already have normal laws that regulate exchanges between the two Koreas. Some laws even have the power to punish spies to the extent of the death sentence."

Since these normal laws can adequately handle espionage and pro- communist cases, he believes the NSL is superfluous and should be abolished.

Human rights groups say that the main problem of the NSL is its vague language. They claim that the government in the past used the law to imprison hundreds of people who posed no security threat.

On Nov. 25, the London-based Amnesty International published a 62-page report to urge the South Korean Government to amend the NSL.

"While we are aware of the military and political situation caused by the division of the Korean Peninsula, the restrictions on freedom of expression and association in the NSL go beyond those permitted by international human rights standards," the report stated.

For evidence, Amnesty International provided numerous testimonies and court cases.

In one example, five members of the singing troupe "Heemangsae" were arrested in 1994 and sentenced to a two-year prison term for violating the NSL. Their crime was staging a musical and distributing its script which authorities believed "praised and encouraged" North Korea.

The report also claimed that about 300 people are currently in prison for violating the National Security Law; some of them are over 70 years old.

One Yonsei professor, who would only speak on the condition of anonymity, believes that many of the arrests of these prisoners were not justified.

"Past governments oppressed many people in the name of anticommunism. Of course, some dissidents have been close to the Communist Party, but they were a small minority," he said.

Most dissidents have no intention of supporting a communist government in the South, he added.

Besides independent human rights groups, the U.S. State Department in 1994 and the United Nations in 1992, also urged the South Korean Government to amend the NSL's "potential for human rights abuse."

Judging by Western Standards

Addressing these concerns, Paek Chung-hyon, the first South Korean representative to the U.N. Commission on Human Rights, said that although South Korea does not completely meet international standards, it is dramatically improving its human rights record.

"I would say Korea is moving into a higher class of nations in terms of human rights," he said. "But it is also improper to compare the governing systems of South Korea with that of Western countries."

The NSL, he continued, is a product of a unique security situation on the Korean Peninsula.

A spokesman for the Agency for National Security Planning, South Korea's intelligence organization, wholeheartedly agreed. He asked to be identified only by Kim, his family name.

"How could Westerners understand our situation?" he demanded. "If our country was united, it would be a different story. But America and groups like Amnesty International have no right to criticize us about the NSL."

Kim Tok, who headed the Agency for National Security Planning from 1993 to 1994, also defended the intelligence organization's human rights record.

"In the past, some injustices certainly existed, but the situation is quite changed now. The government is very careful not to violate human rights," he said.

Kim also added, "The fact that we have been continually threatened by North Korea (shows that) the National Security Law is necessary."

In his opinion, many South Koreans do not realize how dangerous North Korea is today.

On Nov. 9, 1995, a captured North Korean spy, who had been in the country for over a month, admitted meeting with four South Korean dissident leaders. After hearing his confession, many South Koreans were shocked.

But the incident did not seem to surprise Rep. Sin Sang-wu, chairman of the National Assembly's Intelligence Committee. At the time, he said, "Our committee members expressed deep concern over the public's lack of security awareness."

A Divided Korea

Besides those who are directly affected by the NSL, public opinion appears to be split over the law.

A poll by the Korean Christian Social Research Institute showed that nearly half of the population (45.8%)

wanted parts of the NSL revised. The other half were indifferent to its repeal or revision.

Likewise, two out of four major political parties, the Democratic Party and the National Congress for New Politics, have clearly stated their support for the abolishment of the NSL.

The other two parties, the ruling New Korea Party and the United Liberal Democrats, believe that the NSL is necessary, but should be eventually abolished after unification with the North.

One opposition lawmaker predicted that the NSL will be a hot debate during the coming general elections. And with such varied views of the NSL, he may be right.

People on both sides of the debate say they are determined to fight until their goals are achieved. One official at the Agency of National Security Planning even vowed, "The NSL will never be abolished until reunification occurs."

In other words, the battle over the NSL may not find peace until the greater war on the Korean Peninsula is resolved.

Telecom's Strategic Plans, Technologies Outlined

SK1012041795 Seoul THE KOREA HERALD in English 10 Dec 95 p 8

[Report by staff reporter Yu Chong-mo]

[FBIS Transcribed Text] Celebrating the 14th anniversary of its foundation yesterday, Korea Telecom (KT) is determined to inject much fresher vigor into its march toward the 21st century's information superhighway era.

In the vanguard of the unfolding infocommunications society, the state-run telecom giant has been pushing ahead with operational diversification and managerial innovations.

Holding a ceremony to mark the 14th anniversary at the company head office in downtown Seoul yesterday morning, Korea Telecom President Yi Chun and 60,000-odd KT employees vowed to improve their customer services and boost international competitiveness.

Korea Telecom, which has been licensed to launch a nationwide personal communications service (PCS) in 1998, will continue to expand investment in the wireless communications fields.

A long-term KT strategy calls for an investment of about 4.158 trillion won ($5.26 billion) in PCS, information superhighway networks and nine other state-of-the-art telecoms technologies between 1996 and 1998.

"KT plans to spend about 1.56 trillion won to develop and purchase PCS technologies and systems, while pumping in 150 billion won to commercialize its trial CT-2 (cordless telephone second generation) service nationwide," said a KT spokesman.

PCS, a new low-cost cellular service which offers an anywhere- anytime wireless communications, is expected to gradually replace the current cellular-call services. KT, which has recently decided to introduce the digital CDMA (code division multiple access) system into its PCS networks, has already obtained some accomplishments in the PCS R&D efforts.

The Korea Telecom Research Laboratories (KTRL), based in Seoul, developed a new IC (integrated circuit) chip, which can be used to make the size of a handy-phone smaller than a cigarette pack. "The chip will eventually help reduce the size and production cost of a PCS communicator by half. Using the miniature chip, electronics makers will be able to produce a 4.5-cm wide, 8-cm long PCS cellular phone," the spokesman said.

The dispatch-only CT-2 communicators stand halfway between the conventional CT-1 household cordless phones and PCS. A CT-2 phone, if combined with a mobile pager, can perfectly function like a two- way cellular system. As many as 5,000 subscribers can be accommodated in a one-sq.-meter CT-2 network, while the same-size cellular network can handle only 25 users. He noted that KT aims to accumulate PCS-related experiences through its CT-2 project.

He said that about 1 trillion won is earmarked for the construction of the information superhighway based on the fiber- optic cables.

"The video-conferencing system and multimedia service projects will receive about 240 billion won for three years from next year. Expansion of satellite communications systems will also cost about 280 billion won," he noted.

"KT will also heavily invest in the ISDN (integrated services digital network), packet-network service, data communications, commercial medical network service, remote communications service and wireless data communications," said he.

Korea Telecom invested about 420 billion won, or 7 percent of its turnover, this year in the R&D sector this year. The proportion of R&D expenditure to the total turnover will gradually increase a 10- percent level by the year 2001.

The spokesman briefly introduced parts of KT's major accomplishments in 1995; construction of R-J-K (Russia-Japan-Korea) and CK (China-Korea) undersea fiber-optic cables, construction of a trial information superhighway linking Seoul and Taejon, launch of a nationwide VDT (video dial tone) service, and launch of a call- tracking service.

Established in December 1981, Korea Telecom is now the nation's largest telecoms service carrier with about 21.474 million telephone circuits and 18.299 million telephone subscribers.

The company, capitalized at 5 trillion won, is expected to post an annual turnover of 6.19 trillion won this year.

Korea Telecom (KT) has been vigorously pushing to advance into the telecommunications markets of the world's developing countries.

The Philippines, Mongolia, India, Vietnam, and the Russian Far East are among the new markets exploited by Korea Telecom.

In September, Korea Telecom won a 21-billion-won contract to construct local-call service networks in suburban Manila.

Korea Telecom is to install about 124,000 telephone circuits in three cities near the Philippine capital — Raguna, Rizal and Quezon — by the end of next year. The contract was signed between PT&T, a subsidiary of Retelecom, and Korea Telecom Philippines Inc. (KTPI). KT bought a 20-percent share in Retelcom, the country's largest telecom company offering local, long-distance and international call services as well as a paging service.

Government Funding Industrial Info Network Firms

SK0812045495 Seoul THE KOREA TIMES in English 8 Dec 95 p 8

[FBIS Transcribed Text] The government has earmarked a total 581.6 billion won (700 million dollars) for promoting industrial information network businesses, including databases, by the year 2002.

The Ministry of Trade, Industry and Energy said yesterday that a wide range of information businesses, including computer-aided logistical systems (CALS), were moving toward a more telecommunications-oriented industry.

A meeting of a committee assigned to oversee the project said the introduction of electronic mail and electronic data interface will be the focus of development work until the year 1997.

Over the subsequent three years, research and development, as well as commercialization, will be concentrated on the formation of a wide range of databases on a nationwide basis.

The project, being pursued as part of a national program for setting up an information superhighway by the year 2015, will be gradually expanded to provide related services overseas.

Burma

CPPCC Chairman Li Ruihuan, Delegation Arrive

BK0812155695 Rangoon Radio Myanmar in Burmese 1330 GMT 8 Dec 95

[FBIS Translated Text] A delegation led by Mr. Li Ruihuan, chairman of the PRC's Chinese People's Political Consultative Conference, the CPPCC, arrived at the Yangon [Rangoon] International Airport on a special aircraft at 1530 today at the invitation of General Maung Aye, vice chairman of the State Law and Order Restoration Council [SLORC], deputy commander in chief of the Defense Services, and commander in chief of the Army.

The delegation was welcomed at the Yangon International Airport by Lieutenant General Khin Nyunt, secretary-1 of the SLORC; Colonel Pe Thein and U Than Shwe, ministers of the Prime Minister's Office; U Ohn Gyaw, minister of foreign affairs; Brigadier General Myo Thant and Lt. Gen. Min Thein, ministers of the SLORC Chairman's Office; Brig. Gen. Khin Maung Than, chairman of the Yangon Division Law and Order Restoration Council and commander of the Yangon Military Command; U Nyunt Swe, deputy minister of foreign affairs; Brig. Gen. Kyaw Than, commander of the Mingaladon Air Base; Mrs. Chen Baoliu, PRC ambassador to the Union of Myanmar [Burma], and embassy staff; and responsible personnel of the Ministry of Foreign Affairs.

The delegation led by Mr. Li Ruihuan called on Gen. Maung Aye at the Ministry of Defense's Zeyathiri Beikman Defense Services Hall on Konmyintthaya in Yangon at 1800 today.

With Gen. Maung Aye were SLORC Secretary-1 Lt. Gen. Khin Nyunt, SLORC Secretary-2 Lt. Gen. Tin U, Foreign Minister Ohn Gyaw, Prime Minister's Office Minister Than Shwe, and Thura U Aung Htet, director general of the Protocol Department of the Foreign Ministry, and Chinese Ambassador Chen Baoliu.

Li Ruihuan Speaks at Dinner

BK1012145995 Rangoon TV Myanmar Network in Burmese 1330 GMT 8 Dec 95

[Speech by Li Ruihuan, chairman of the PRC's Chinese People's Political Consultative Conference, at a dinner hosted in his honor by General Maung Aye, vice chairman of the State Law and Order Restoration Council, deputy commander in chief of the Defense Services, and commander in chief of the Army, in Rangoon on 8 December — read by announcer]

[FBIS Translated Text] Your Excellency, the respectable General Maung Aye, vice chairman of the State Law and Order Restoration Council of the Union of Myanmar [Burma], and Dear Friends:

When I arrived on my official visit to friendly and neighborly Myanmar at the invitation of Your Excellency, Vice Chairman Gen. Maung Aye, I was cordially greeted as soon as I put my feet on the ground of this beautiful country by Your Excellency's government and people. I received grand treatment. I felt as if I was in an environment of love and kindness of the brethren Paukphaw [sibling]. I would like to express by deep gratitude to Your Excellency, Vice Chairman Gen. Maung Aye, for hosting a grand dinner to welcome me and for wholeheartedly delivering a speech.

At this opportune moment, allow me to convey the greetings of the Chinese people to the Myanmar people. The Chinese people adore and admire Myanmar, their friendly neighbor, very much. Our two nations are linked by forests and mountains and there is also a traditional flow of friendship between the peoples that has existed for a long time. After the establishment of the new China, Myanmar was one of the nations that established diplomatic ties with us in the early days. During our struggle to defend independence and peace, Chairman Mao Zedong, Prime Minister Zhou Enlai, and Gen. Ne Win — the senior leaders — established this immense and deep friendship. The relationship between the two countries can be seen as an ideal relationship between good neighbors. The existence and development of a lasting relationship between China and Myanmar is not only compatible with the common desire and basic interests of the people of both countries, but history also shows that it contributes to the peace and stability of this region. As we greatly value our friendly and neighborly relationship with Myanmar, we would like to continue to strive to maintain a lasting China-Myanmar relationship.

Myanmar is a nation with a long historical background. The Myanmar people, using their own mental prowess, have created and established an extraordinary national culture. During the last few years, Your Excellency's country has made considerable and significant achievements in its efforts to bring internal peace and stability, national reconciliation, and economic development and to expand its relations with foreign countries. As a neighbor and a friend, we are extremely delighted by these achievements.

Today's world is filled with various colors and hues. Every country has its own traditional cultural and historical background. The social systems and rates of development are also different among the countries. Choosing a compatible social system and a path of development in accordance with the situation in the country and one's own volition is the right of the people of every country. That is why no country has the right to interfere in the internal affairs of another country by complaining about this and that, or the right to impose its will forcefully on others.

At present, the Five Principles of Peaceful Coexistence — jointly proposed by the Chinese and Myanmar leaders 41 years ago — have become more lively and vibrant. I think we can bridge the gap and differences between countries and walk along the path of mutual respect, peaceful coexistence, and cooperation for development only when we strictly follow the Five Principles of Peaceful Coexistence; that is, mutual respect for national sovereignty and territorial integrity, one country must not intrude into the other country, one country must not interfere in the internal affairs of the other country, equal status and mutual benefit, and peaceful coexistence.

China, Myanmar, and other countries need to strive to join hands to create and establish a resourceful, colorful, and prosperous world.

Please toast with me the development of the Union of Myanmar; the prosperity and happiness of the Myanmar people; the long-lasting existence of China-Myanmar friendship to hand down to generations to come; the health of Your Excellency, Vice Chairman Gen. Maung Aye; and the health of all the friends attending this dinner.

General Maung Aye Gives Speech

BK0912142395 Rangoon TV Myanmar Network in Burmese 1330 GMT 8 Dec 95

[Speech by General Maung Aye, vice chairman of the State Law and Order Restoration Council, deputy commander in chief of the Defense Services, and commander in chief of the Army; delivered at a dinner hosted in honor of Mr. Li Ruihuan, chairman of the PRC's Chinese People's Political Consultative Conference, and party in Rangoon on 8 December — read by announcer]

[FBIS Translated Text] Your Excellency Mr. Li Ruihuan, delegates, and friends: First, I would like to say that it is an honor and pleasure for me to welcome and greet Your Excellency in Myanmar [Burma] during Your Excellency's Southeast Asian goodwill visit. I would also like to say that Your Excellency's visit to Myanmar is significant because it coincides with the festive season in Myanmar. What makes it even more significant is that Your Excellency's visit precedes a visit to the PRC by the chairman of the State Law and Order Restoration Council [SLORC] in the near future. I believe that we have striven both correctly and with increasing momentum in strengthening the Paukphaw [intimate and affectionate term conferred on the Chinese by the Burmese people] friendship by exchanging mutual goodwill visits between our two nations in a cordial manner. Not only as neighbors but as traditionally friendly nations, Myanmar and the PRC have established a model relationship based on the five principles of peaceful coexistence. The national leaders of the former generations from both nations have laid down constructive directives for the leaders of the new generation to continue implementing these directives productively so as to have links and to improve the relationship between Myanmar and China. Your Excellency's visit also fits in with our endeavor for mutual progress and success for our two nations, and it also shows an aspiration to jointly establish a thriving relationship.

We have learned from and been encouraged by the results of the PRC's modernization, development, and economic growth. We are also encouraged by the efforts that play an important and supportive role in successfully carrying out the all-round development with a right momentum to prosper and develop in accordance with the times and to establish widespread industrial development. Similarly, to bring about the emergence of a new modern and developed nation, precise political, economic, and social objectives have been laid down as national objectives and directives; these are being implemented in Myanmar.

In the political area, priority is given to striving for the community peace and tranquility, the prevalence of law and order, and national consolidation. Moreover, to ensure the emergence of a new and enduring state constitution, efforts are also being made for the successful conclusion of the National Convention.

To establish economic life, projects have been outlined for the all-round development of various sectors based on increased agriculture activities; and efforts are also being made for the proper evolution of a market-oriented economy and to invite participation in terms of technical know-how and investment from sources inside the country and abroad.

In the social sector, serious efforts are being made to uplift the morale and morality of the entire nation, to uplift the national prestige and integrity, to preserve and safeguard the cultural heritage and national character, to increase the dynamism of the patriotic spirit, and to improve the health, fitness, and education standards of the entire nation.

You Excellency's goodwill visit is a short one, but it clearly reflects the friendship and concern between our governments and the people. He concluded his speech by saying: I seriously believe that the Paukphaw friendship between Myanmar and the PRC, which is based on the conviction, spirit, and vision of the leaders of both nations, will continue to be strong.

General Maung Aye also invited the audience to toast the strengthening of the friendship between the Union of Myanmar and the PRC; the health and happiness of Mr. Li Ruihuan, chairman of the PRC's Chinese People's Political Consultative Conference; and the health and happiness of the guests and friends attending the dinner.

Nationwide Rallies Support National Convention

BK1112142095

[FBIS Editorial Report] Since 3 December 1995 Burmese media — radio, television, and press — have carried reports on rallies held under the auspices of the Union Solidarity and Development Association [USDA] in various part of Burma to express support for the success of the National Convention. The rallies are apparently aimed at showing the determination of the State Law and Order Restoration Council to continue with the constitutional convention despite the 29 November boycott by the National League for Democracy. Motions were passed at these rallies "to express support for success of the National Convention" and "to crush those who are sabotaging the National Convention."

Rangoon's Radio Myanmar, in its Burmese language news broadcast at 1330 GMT cast on 3 December, reported that a rally to support the success of the National Convention was held in Magwe on 3 December attended by over 30,000 people.

The newscast also reported a similar rally in Monywa under the auspices of the Sagaing Division USDA on 3 December attended by 55,409 people.

Rangoon Radio in Burmese at 0130 GMT on 6 December reported that 1,000 people attended a rally held in Pabedan Township in Rangoon on 5 December to support the National Convention. A similar rally was held in Shwebo on 5 December attended by 50,000 people. In its 0430 GMT cast on 6 December, Rangoon radio reported a 4 December rally in Minbu attended by 25,000, and a similar rally in Mandalay on 5 December on its 0630 GMT cast. Attendance at the Mandalay rally was, however, not reported.

Rangoon TV Myanmar in Burmese at 1330 GMT on 7 December reports that 20,000 people attended a rally supporting the National Convention in Kale on 6 December. A rally also was held in Kyaukse on 7 December attended by 21,000 people, while another in Myingyan on 5 December was attended by 11,000 people.

Rangoon TV Myanmar in Burmese at 1330 GMT on 8 December reports a rally in Kengtung on 8 December attended by 13,890 people, while another in Hlegu on 8 December was attended by more than 2,000 USDA members. The broadcast reports a similar rally in Haka, Chin State on 7 December, but did not mention the attendance.

Rangoon TV Myanmar in Burmese at 1330 GMT on 9 December reports 'a rally in support of the National Convention at the grounds of No.1 Thuwanna National Sports Stadium in Thingangyun Township on 9 December attended by more than 120,000 people. Another was held at the No.1 Sports Grounds in Tharrawaddy, Pegu Division on 9 December and was attended by about 10,000 people. The newscast also reports a similar rally at the district sports grounds in Ma-ubin on 9 December attended by 40,185 people, while 35,000 people attended one at the Myoma Sports Grounds in Thayet, Magwe Division on 9 December. At the state sports grounds in Taunggyi on 9 December, the pro-National Convention rally was attended by 15,380 people, while another at the division sports ground in Pegu on 9 December was attended by more than 20,000 people. A rally held at the district sports grounds in Katha on 7 December was attended by more than 18,000 people, while another held at the Pyapon District sports grounds on 9 December was attended by 45,700 people.

Rangoon TV Myanmar in Burmese at 1330 GMT on 10 December also reports a rally supporting the National Convention at Wunthumaung Sports Grounds in Haka, Chin State on 7 December attended by 10,200 people. Another held at the district sports grounds in Toungoo, Pegu Division on 9 December had over 24,000 people in attendance. The rally held at the divisional sports grounds in Tavoy on 10 December was also attended by more than 72,000 people.

Rangoon Radio in Burmese at 1330 GMT on 10 December reports a rally supporting the National Convention at the township sports grounds in Natogyi on 9 December. The attendance was not reported. A rally was also held in Taungtha on 9 December with over 3,500 spectators. Another, also to express support for National Convetion, was held at the Union Grounds in Bassein on 9 December and was attended by more than 30,000 people. A similar one at the Myoma Grounds in Myaungmya on 9 December was attended by 27,500 people. The broadcast reports a similar rally at the Bahtoo Maha Sports Grounds in Haka, Chin State on 8 December. However, the attended was not mentioned. A rally was also held at the grounds near Dapein Station in Hlegu on 10 December with more than 2,150 people attending.

Government Supporters Hold Antiopposition Rallies

LD1012103795 Melbourne Radio Australia in English 1000 GMT 10 Dec 95

[FBIS Transcribed Text] Burma's military government says more than 120,000 of its supporters have turned up at rallies to attack the opposition. The rallies were organized by the Union Solidarity and Development Association, which was created by the government in 1993 as a social organization. It now claims a membership of more than 2 million, made up mainly of students and other young people.

The association has scheduled its latest rallies in towns in Shan State in the east, the Irrawaddy Delta in the south and in central Burma. Its supporters accuse the opposition party, the National League for Democracy [NLD], of trying to discredit and sabotage the country's ongoing national convention [which is to draw up a new constitution]. The NLD, led by Aung San Suu Kyi, pulled out of the convention late last month, claiming that in its present form it would not foster national reconciliation.

Speaking to some 7,000 people outside her home in Rangoon, Ms. Suu Kyi said reconciliation was not just necessary between ethnic Burmese and minority races, but among the Burmese themselves.

Opposition, Gathering at Suu Kyi Home Denounced

BK1112142295 Rangoon Radio Myanmar in Burmese 0145 GMT 11 Dec 95

[Article by U Pye Kyaw 11 December issue of KYEMON: "Take Lessons From The Story of Nga Phyu and Ma Mae Tu"]

[FBIS Translated Excerpt] In the introduction of the article, it says the Myanmar [Burmese] public — citizens and all nationalities — and I want to live peacefully. The prevalence of law and order is certainly essential in living peacefully in the country. [passage omitted] Today, you can see that attempts are being made to take advantage of, and to create disturbance by ignoring the law of the land. While being patient, the state has generously provided the rights to freedom. It released many convicted defendants by reducing their sentences. In my previous article, I mentioned that it is good for these convicted violators of the law to be released by the state which has a parent-like love, goodwill, and compassion. In my article, I also expressed concern about these people repeating their actions. [passage omitted]

Concerning basic international principles, the UN Charter — signed by 185 UN member nations — clearly states that one country must respect the sovereign power of another country, have equal status in ties, and not interfere in the internal affairs of another. However, in reality, everybody knows that words such as human rights and democracy are inappropriately used, and are against the practice of sovereignty. Priority has been given to bullying tactics, making it become the world's policeman and manipulating the international community — in a new colonial style — to benefit itself. [passage omitted]

Neo-colonialism [preceding word rendered in English] is the main culprit of the instability, poverty, disturbance, disintegration of systems and unions, disunity, and civil wars in many countries. In every country, there are lackeys ready to work for the neo- colonists. If there is none, then they are created. If there is none inside the country, then they are imported from abroad. When destroying a country, the neo-colonialists are good at sending expatriates into that country or sending the opponents in that country out to live in exile. [passage omitted]

We, the people, desire a stable, peaceful, prosperous, developed, and modern nation. We will not accept a situation in which our country can be sold by the so-called followers of democracy, who are working under the influence of foreign countries, relying on foreign countries, and who do not even know how to observe and respect the law. That is why we are expecting the emergence of a new stable, strong, developed, and genuine democratic nation. Thus, we are relying on and supporting the National Convention where discussions and coordination are continuing for the emergence of a new constitution that will shape a new stable, peaceful, prosperous, modern, and developed nation. [passage omitted]

The National Convention reconvened on 28 November 1995. Even before the resumption of the National Convention, foreign countries were reporting and airing news and articles to cause division and disunity. It was also annoying to hear and see the wise people in trousers and gown [Westerners] coming in person to stir up things. We are also distressed by the actions and speeches of those who block the road every Saturdays and Sundays [referring to the gathering of people in front of Aung San Suu Kyi's home] and those who violate the state's laws, orders, declarations, and notifications with the support of foreign countries. We have the same kind of concern that we had during the four-eight [8 August 1988] disturbance when we look at these actions and speeches that violate the law. This group that blocks the road is also gradually conspiring to sabotage the success so far achieved at the National Convention and it was proved to be so on 28 November.

It has been learned that 86 delegates of the NLD [National League for Democracy] who were attending the National Convention walked out from the National Convention in an undisciplined manner on the night of 28 November. They said the National Convention cannot bring genuine democracy. Moreover, to shape the National Convention according to their desire, they blackmailed the authorities to open a dialogue [between the State Law and Order Restoration Council and the NLD]. We, the people, were totally surprised. The NLD is now going against the principles of selecting the delegates groups at the National Convention which were discussed during the preliminary coordination meetings held from 23 June 1992 to 10 July 1992 and agreed upon by U Aung Shwe, chairman of the NLD. [passage omitted]

Brunei, Malaysia & Singapore

Malaysia

U.S. ASEAN Nuclear Treaty Reservations Noted

BK1112113695 Kuala Lumpur Voice of Malaysia in English 0810 GMT 11 Dec 95

[Station commentary]

[FBIS Transcribed Text] One of the high points of the Fifth ASEAN Summit in Bangkok this week is undoubtedly the signing of a treaty aiming at making Southeast Asia a nuclear-free zone. Entitled the Southeast Asian Nuclear-Free Zone Treaty, the protocol dictates that all signatory countries must not manufacture, acquire, or station nuclear weapons in the region, which encompasses 10 Southeast Asian nations. If all goes well, the heads of government of the seven ASEAN member countries will endorse the treaty on the 15th of this month. Three other non-ASEAN members — namely Cambodia, Laos, and Myanmar [Burma] — are also expected to give their blessing to the protocol.

In view of the fact that the proposed treaty is in line with the policy of the West, senior officials of ASEAN well prepared for the agenda for summit were quite optimistic that world nuclear powers would accede to the protocol. They are the United States, Britain, China, France, and Russia. Foreign Ministry Secretary General Ahmad Kamil Jaafar had pointed out that the treaty was somewhat in tandem with the policy of the Western countries, which had always been asking for a nonproliferation treaty and were making efforts for a Comprehensive Test Ban Treaty. The proposed treaty is also set to contribute toward overall disarmament of nuclear weapons, a noble concept which is cherished and upheld by all peace-loving nations.

When the United States State Department spokesman, Nicholas Burns, said in Washington on Saturday that his country was not prepared to sign the pact, it really caught many by surprise. According to Nicholas Burns, the pact was too restrictive about the passage of warships through the Southeast Asian region. But ASEAN senior officials in Bangkok were quick to point out there, under the treaty, were provisions to allow innocent passage to warships that may or may not contain nuclear weapons. They hoped the summit could iron out any differences with the United States or any other nuclear powers.

Meanwhile, on the home front, Prime Minister Dr. Mahathir said ASEAN would proceed with the signing of the treaty although the United States had rejected it. However, he emphasized that ASEAN valued the cooperation of the United States to make the treaty effective. On the question of passage of warships in the region, Dr. Mahathir said Malaysia and other ASEAN member countries had no right to stop American naval vessels or nuclear-powered vessels that passed through waters in the ASEAN region. Such vessels have the right to navigate under the international sea law.

The ASEAN summit is due to open in the Thai capital on Thursday. It is hoped that the parties concerned could eventually resolve the contentious issue amicably.

Cambodia

Hun Sen Speaks on Protests at Foreign Embassies

BK0912164195 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 9 Dec 95

[Speech by Cambodian Second Prime Minister Hun Sen at Health Center 317 in Kien Svay District, Kandal Province on 9 December — recorded]

[FBIS Translated Excerpt] [passage omitted on Hun Sen's comments regarding rehabilitation of wounded soldiers] Now I have to clarify a statement I made a few days ago at Prek Ambel in S'Ang District [Kandal Province], noting that interference by foreign countries in the internal affairs of Cambodia — against the independence and sovereignty of Cambodia — is becoming stronger and stronger. This is making the two prime ministers lose their temper. I appealed for a patriotic movement to defend this country's independence and sovereignty; end the interference in this country's internal affairs. This movement can be carried out as a nonviolent demonstration. This movement is limited to defending the country's independence and sovereignty.

We have not declared war against any country; we have not done so. What we want, what the Royal

Government asks the people to support, is a limited action to defend our independence and sovereignty; end foreign interference in Cambodia's internal affairs. Cambodia's affairs should be left for the Cambodian people to resolve by themselves.

This intention is reasonable and in conformity with the natural rights of all sovereign countries worldwide. This is the indispensable right of an independent and sovereign state. Furthermore, Cambodia is a state guaranteed by the Paris accord. All of the signatories to the Paris accord have pledged to guarantee the independence and sovereignty of Cambodia. What I want to do is supported by the samdech krompreah [First Prime Minister Ranariddh] and his majesty the king. We just want to preserve our independence, sovereignty, and territorial integrity.

I have clearly stated that the Cambodian people should be prepared to take part in demonstrations to defend the independence and sovereignty of the country. They have the right to demonstrate, and so do we, but I have neither declared war against any country nor ordered the storming of any embassy. I have not ordered the storming of any embassy because this would constitute an invasion of that country. This is because an embassy is their independent and sovereign territory in our country. We can stage nonviolent demonstrations by delivering petitions to those embassies, but we cannot enter the embassies.

This is the framework we want to have if we should act, however reluctantly. Whether or not the demonstrations take place depends on whether the foreign countries stop interfering in Cambodia. If they do not stop, demonstrations will take place everywhere throughout the Kingdom of Cambodia. The Royal Government has the right to lead demonstrations to show that the Cambodian people support the Royal Government in the defense of the country's independence and sovereignty. Even without the Royal Government's support, I, Hun Sen, will appeal to the people to take part in demonstrations because demonstrations are nonviolent and aimed at reclaiming our independence and preventing foreign interference in Cambodian affairs. I have not, however, ordered the storming of embassies.

The foreign countries that have not interfered in Cambodia's internal affairs told me — they called my advisers and some of our ministers and state secretaries — that what Hun Sen said was correct, because it concerns our independence and sovereignty. The foreign countries in question are terribly afraid. What do they plan to do? Do not worry. I ask them not to worry. The only thing is whether or not they agree to stop. Another matter that they should not worry about is that no one will touch their embassies.

Although the French authorities in Paris permitted some Cambodian-French and French to stage demonstration against our embassy, we will not allow that to happen here. This is what I would like to say. This is the first issue.

The second issue is that rumors have been circulated that some countries' embassies will be stormed. I ask the competent authorities to investigate this matter immediately. Should violence occur at any embassy, an investigation into all of the newspapers that publish false information should be conducted right away. The recording of my statement at Prek Ambel Commune in S'ang District of Kandal Province, which was broadcast over radio and television, should be checked to see whether there was any order to attack embassies. No, there is nothing. So, if anything should happen to an embassy today, tomorrow, or in the next few days, an investigation should be launched into all the newspapers that publish false news; they should be detained.

This includes the illegal CAMBODIA DAILY. This newspaper is said to be illegal. If it is still illegal, why is it allowed to remain in Cambodia? You, the police, the Information Ministry: If it is illegal, they must be detained and deported. I will not force you to expel them, but you should act according to the law. It is said that they do not have a legal permit. Is there any CAMBODIA DAILY reporter here? Look, you should be responsible for your articles. I want to stress that should any violence occur, it is those presenting false reports who should be held accountable. An investigation should begin from there.

I do not want to scare those people away. Do not run away. Do not run away, you will not be touched. If you are smart enough, do not run away. None of the embassies should worry. I do not oppose you. I have no reason to enter your embassy. Diplomatically speaking, I am young and smart. I was the diplomacy chief for 16 years. I clearly know about the sovereignty of others. What I intend to do is limited to a great movement to defend the country's independence and sovereignty and prevent you from interfering in our internal affairs and regarding my country as a tiny district that belongs to you. I just want to enforce my law, yet I am forbidden. We cannot implement the law left behind by UNTAC [UN Transitional Authority in Cambodia] either. Can I just ask for that?

So I ask all the embassies, especially the terrified embassies, not to be frightened. Nothing will happen. I never act secretly. If I act, I will announce it over loudspeakers.

Recently, Hun Sen was said to have sent tanks to Phnom Penh. Yes, I did. They said one, three, or four were seen. I want to say that there were 10 tanks on that day. There is no need to hide them. There were already four tanks at my house; six came from outside and made it 10 altogether. That was just in case. There were 10 tanks, but some said two, three, or 10. I have never hidden anything. I never kill anybody covertly; I would never think of that. Anything I have done, I have always made it known over loudspeakers. If tanks are sent, it is Hun Sen who sends them. This is part of the Army's defense duty. This is the story. I have never hidden it away. So if there is any demonstration, I will announce it a week in advance. I will announce a week in advance that a demonstration will take place.

I have good intentions but I still cannot understand how they interpreted one of my stories. Up until this hour, I had vowed not to talk or comment about those matters. The Buddhist Liberal Democratic Party was in wrangle. Ieng Muli already held a congress, but Samdech Son Sann later asked for permission to hold another congress. So the samdech krompreah and I told Son Sann to postpone the congress. This was aimed at giving the two time to reunify. After reunifying, they could hold a joint congress. He still insisted that he wanted to go ahead. I said in Kompong Speu Province that if he persisted in holding the congress, he should shoulder the responsibility himself. Then grenades exploded when he held the congress. Hun Sen was said to have done it because he had predicted it. Ah! The one who talked publicly about it was the attacker. No, it was not me. If I did it, I would go there openly and handcuff them. If they reacted, force would be used. The one who dared say it openly would never throw grenades secretly like that.

A few days ago, I said there would be demonstrations. So if a group of bad people stages a demonstration and attacks embassies, will I be responsible? Therefore, I want to say that the National Police should check on that. If I plan to demonstrate, I will announce it a week in advance. The people are free to join or not; it is their right. All I ask is that the people who support the Royal Government's efforts to defend the independence and sovereignty of the nation and terminate foreign interference in Cambodia's internal affairs stand on the streets for an hour, 15 minutes, or 20 minutes. You should line the streets. This should be the way, not staging other demonstrations that are a waste of money and are tiring and exhausting. Everyone should stand along the streets and raise banners and then send representatives to submit petitions to embassies or read them over the radio. That is the plan to follow. After it is implemented, do not report that we planned to attack embassies. No, do not do that. If anything happens, the newspapers that carry such falsehoods should be prepared. If there are bomb explosions in the embassies, you will be arrested in place of the culprits. You can be sure that you will be arrested right away. We will not wait to arrest those who talk about such incidents, for it will be an incident he has fabricated; something white that he painted black.

I would like also to inform all the embassies that they should keep a clear record and clearly publish our position. As for the newspapers, if you do not wish to publish it, do not publish it. If you publish it, you should publish every word that I say today. I would like to reserve my copyright. If you do not publish everything, you do not have permission to publish it at all. If you publish it and distort the truth, then I am going to exercise my rights, mind you. This is not the right to express an opinion. It is incitement to rebellion. So I will use my rights.

Therefore, we must make it clear to one another. There must be a sense of responsibility, for this issue pertains to the national security and national sovereignty of countries. I know that attacking an embassy is about the same as sending an army to invade a foreign country. I have not declared my opposition to any country. What I am doing is merely seeking to exercise my right to self-defense; to defend my country. This should be well clarified.

There are claims that certain statements have been made. Recordings of them have been replayed quickly. Are there any AFP correspondents here? To which newspapers do these long-nosed correspondents belong? Just now a few long-nosed people were taking many pictures. For which newspapers are they working? They must be trying to hear the same story. There, they are taking a lot of pictures.

I do not like play acting. I would like to tell you one story. It is about a secret that was broken the day before yesterday. What is it? One foreigner who came here to defend — to act as an adviser for Cambodians, that is — both the Khmer Journalists Association and the Khmer Journalists League did not hesitate to draft a statement for a witness in this assassination attempt [allegedly by Prince Sirivut against Hun Sen] so that the witness would say this assassination attempt was just a joke. This witness is quite smart, though. He said: I do not know whether he was joking or not, but he did say it. Whether he was joking or not is up to the court to decide.

I do not understand why this foreigner, an American who works for the Asia Foundation, tried to mislead the witness. His action falls under Article 50 or something of the UNTAC [UN Transitional Authority in Cambodia] law. He is subject to imprisonment of one to two years. Maybe Om Yintieng [Hun Sen's adviser] has already instituted a lawsuit against him. You know, misleading or coaching witnesses can be punished by imprisonment. You might ask whether or not a foreigner can be imprisoned.

Venerable monks, do you see that these people have turned white into gray into black? This infuriates us. We do not know what else has been brewing behind the scenes. They live abroad and know nothing of what really happened, but they are demanding that we release a convict. Not a convict — a suspect. They know nothing and the witness has already acknowledged that the suspect said what he said, but as a joke. Whether it was a joke or not, it is the court that has the authority to decide. Let us not make any comment.

I just want to raise the point about saying something as a joke or seriously and then planning to carry it out. I have consulted lawyers about this. First, is it a joke when one repeatedly says something to different people? Second, is it punishable by law if after saying it some actions are taken? A joke, for example, is something like this. When we are sleeping, a dog barks so loudly that we jokingly say: I must shoot that dog because he is barking so much. If I say that and nothing more, people can consider that a joke. If after complaining that the dog is barking so noisily and saying that I must shoot him, I ask what type of gun I can use to shoot and kill him as quickly as possible, then it is no longer a joke. It becomes a serious act. This means that when you say you want to shoot someone and you look for a type of gun that will kill him quickly, then you are not making a joke. This is the same as in my case. Kill him on the road to Krang Yov by firing five B-40 rockets into his car — is this a joke or a serious plot?

Do not think that other people have no brains. In making this remark I am not trying to influence the court. I merely presume that other people have the same thought. You did not just say kill Hun Sen, but added on the road to Krang Yov using a barrage of five B-40's to kill Hun Sen, his bodyguards, and the whole motorcade. You also said if the Krang Yov ambush failed, you would attack in the Royal Palace. You described how you would smuggle guns inside your shirts and how you would prepare the attack. The witness will tell all to the court. If you failed at Krang Yov, you said you would carry out the attempt in the Royal Palace. Whether this is a joke or not, let the court decide. In my opinion, you are joking if you say the dog has to be shot because he barks so much. When you say he must be shot and you look for a type of gun to kill him quickly, you are not joking. You are not joking when you say he must not escape, so fire at him wherever you find him. Moreover, 14 illegal weapons have been found.

The other day, meeting the German ambassador, I said: Excellency, to make it less difficult for you, how about mustering all your friends from various countries and sending the best lawyers that can be found in your country and your friends' countries to defend the suspect and speed up the case. Please, come over. If you want to defend the murderer so much, please come over and defend him here. You should come here personally and stop hollering from afar. You know nothing. You do not know what really happened here and how many witnesses we have. Ignoring all these facts, you keep hollering in the distance.

The prince krompreah and I never intimidated any MP last year, but it was reported all over the world that the prime ministers and the government had intimidated MP's. This time, when there is a plot to kill the prime minister, no one seems to care. If it was Hun Sen or Tie Banh who made the threat, the world would jump up to condemn Hun Sen or Tie Banh to the extreme.

I would like to stress once again that our desire is for other people to respect us; to respect our country's independence. I would like to reiterate that whether or not there are demonstrations depends on the foreigners. If the foreigners keep interfering... [pauses]

I used to take part in demonstrations against foreigners in the 1960's, but those demonstrations were violent. Yes, I did take part in the 1960's. We are not going to be violent in our demonstrations against foreign embassies, however. I have to emphasize this point: No violence. Anyone who reports it incorrectly, if an incident of violence occurs, will be brought under immediate investigation, because some third party might take advantage like in the case of Son Sann. My good intention was interpreted into something completely different. This time, too, a few people might take the opportunity to attack and destroy an embassy and then blame it on Hun Sen. I have no reason to oppose foreign countries.

Attacking a foreign embassy is like launching an army against a foreign country. This is what I want to remind you of. Please, be reasonable. There are a lot of rumors and fears in Phnom Penh. When the Ponloe Khmer [Cambodian Light] Federation gave alms to monks in front of the Royal Palace, it was rumored that a demonstration had been staged. Tomorrow will be the Human Rights Day celebration, and meetings and processions will be held here and there. It will surely be rumored that there were demonstrations. The chief of the National Police and the Phnom Penh municipality should be on the lookout to prevent a handful of people from throwing grenades into embassies. If this happens, I will be blamed again. Some would say that Hun Sen is being restrictive. No, I am only trying to protect the embassies against terrorism. The perpetrators of the grenade attack on the office of Samdech Son Sann have not been found. If we had security forces in place at that time, it would be easy to expose them. Now we have security forces attached to these places. It will not be difficult to investigate if we can catch one of them. The rest of the attackers will be unmasked. If one out of 10 is arrested, we will know what group they belong to.

When the grenades were thrown at Samdech Son Sann's house, we did not have our forces there because no request was made of our security forces. If such a terrorist act takes place again and we have our forces there, it will be a matter of days before we find the culprits. Without these forces being present, months have passed and the perpetrators are still at large. If we have the forces in place and they come to throw grenades, they will be able to run 100 meters from the scene of the explosion at best before at least one of their motorcycles is caught and the attackers are immediately identified.

Do not accuse us of human rights violations. If we are accused of human rights abuses because we protect embassies, it is the end of the story. Then I have nothing to say, thank you. The embassies should listen to me clearly: I am not going to do anything to you. If there is a demonstration, I will notify you one week ahead. The demonstration will be to demand our natural rights; the rights that all countries enjoy.

Once again, I would like to take this opportunity to thank all of you excellencies, ladies, gentlemen, and venerable monks who are here. I thank all my compatriots and the department chiefs and deputy chiefs, as well as all responsible officials and male and female combatants here. May you all enjoy the five blessings of Lord Buddha. Thank you.

'Cannot Tolerate' Interference

BK0912094295 Hong Kong AFP in English 0938 GMT 9 Dec 95

[FBIS Transcribed Excerpt] Phnom Penh, Dec 9 (AFP) — Cambodia's Second Prime Minister Hun Sen Saturday again launched a bitter attack on "foreign interference" in his country but said that any demonstrations against foreign embassies here would be peaceful.

Seeing that "interference from foreign countries in the internal affairs of Cambodia, against the sovereignty and territorial integrity of Cambodia, is becoming more and more strong, that the two prime ministers cannot tolerate it anymore," Hun Sen said in speech broadcast on television and radio.

"The people of Cambodia...have the right to demonstrate, but I have not declared war yet against any country and have not ordered an attack against the embassy of any country," said Hun Sen, underlining that embassies were sovereign and independent territory.

He said embassies would receive warnings of demonstrations one week in advance and that protestors should "just stand on the streets, then raise banners and send representatives to deliver protest letters or to broadcast in the radio, TV."

The protests could last for a period of between 15 minutes to one hour, the second prime minister added.

But Hun Sen said such "non-violent" protests were unlikely to be reported fairly and complained that partial reporting of his speech by newspapers would likely misrepresent him.

"Because (newspapers) are the source of the problem. To turn white to black. If you do not want to publish, do not publish it. If you want to publish you must publish all my statement," Hun Sen said.

On Monday Hun Sen warned that there could be demonstrations against foreigners and embassies in Phnom Penh, singling out the American and French Embassies.

Security at the French and US Embassies was stepped up Saturday and workers at some international organizations took extra precautions. [passage omitted]

Security at U.S., French Embassies 'Stepped Up'

BK0912084595 Hong Kong AFP in English 0443 GMT 9 Dec 95

[FBIS Transcribed Excerpt] Phnom Penh, Dec 9 (AFP) — Security at the French and US Embassies was stepped up Saturday and workers at some international organizations have taken extra precautions following a week of rising political tensions in Cambodia.

Embassy security staff, at least one in military uniform, could be seen patrolling the roof of the French embassy Saturday, while at the American embassy barricades were placed at roadsides at all four corners of the block surrounding the compound.

"Various people have told me there are now more guards around the embassy, and that's reassuring...in the current climate," a spokesman for the American embassy said.

"I think you can assume there have been consultations (between various embassies) this week on what is going on," the spokesman added.

On Monday, Second Prime Minister Hun Sen called for demonstrations against foreigners and their embassies in Phnom Penh to protest western interference in Cambodia's affairs. He singled out the US and French Embassies as places for possible demonstrations.

A French Embassy spokesman declined to comment on whether the presence of military staff on the embassy's roof was in reaction to Hun Sen's warnings that embassies would be targeted. [passage omitted]

A top United Nations Development Program [UNDP] representative in Phnom Penh said the organization was maintaining only a skeleton staff at its offices. He described precautions as low-key, "Phase One" preparations.

"We have said to our staff nothing more than be careful in terms of formal security measures. This is precautionary stuff, just in case there are problems in the streets," said Andre Klap, the senior deputy representative for the UNDP in Cambodia.

But a Cambodian employee at UNDP's office in Phnom Penh said no expatriates had reported for work Saturday "because they are afraid of the demonstrators."

Another senior Western official, who requested anonymity, said the United Nations security office in Phnom Penh had cautioned UN staff to avoid "unnecessary movements...so they are not caught in the middle of any demonstrations."

Indonesia

Foreign Minister Regrets Incident at Embassy

LD0812134595 Melbourne Radio Australia in English 1100 GMT 8 Dec 95

[FBIS Transcribed Text] Indonesian Foreign Minister Mr. Alatas has said he regrets an incident late yesterday [7 December] when pro-Indonesian protestors mounting a counter demonstration broke into the Dutch Embassy. The Dutch ambassador, Paul Brouwer, and two other diplomats were injured when they attempted to stop the protestors from entering the mission. Mr. Alatas said such things need not happen. It was not certain if Mr. Alatas' comment was meant to be an apology for the incident. A spokesman for the embassy said he was not aware of any apology from the Indonesian Government.

East Timor Activists Said in 'Police Custody'

BK0812141895 Hong Kong AFP in English 1409 GMT 8 Dec 95

[FBIS Transcribed Text] Jakarta, Dec 8 (AFP) — More than 50 protestors who occupied the compound of the Russian embassy here in support of a free East Timor left the premises Friday under police escort as human rights leaders voiced concern for their safety.

Another group of 58 demonstrators at the Dutch embassy meanwhile hunkered down for another rainy night after hours of negotiations Friday with a prominent human rights leader and diplomats failed to secure their safe departure.

The 57 protestors from the Russian embassy left in a large bus with about 15 policemen on board and were taken to the Jakarta Police Headquarters, an AFP correspondent saw.

Russian officials had earlier told reporters there were 47 protestors holed up at the embassy but offered no explanation for the revised number.

The protestors, who flashed victory signs and looked optimistic, had to walk to the bus through jeering plainclothes police and security forces, witnesses said.

They were escorted to the police headquarters by seven vehicles including a contingent of anti-riot police.

"What is important is that they leave," Russian embassy spokesman Fredo Polisianov was overheard telling Central Jakarta police chief Muwari Effendi.

"What happens to them after that is not my responsibility."

The delivery of the protestors into police custody immediately drew statements of concern from Amnesty International and other rights activists.

"Naturally we are concerned why they are being taken to the police headquarters," an Amnesty spokesperson said.

"We call on the authorities to clarify if they will be charged with an identifiable offence and, if so, to have (them given) access to an independent lawyer," the spokesperson added.

Rights activist Johannes Princen, who earlier Friday tried to negotiate the safe departure of the protesters at the Dutch embassy, followed the group to police headquarters in his car, witnesses said.

Earlier Friday, a protestor at the Russian embassy told AFP through the fence around the diplomatic compound that all 47 of the group were students who wanted to draw attention to East Timor.

"We are not seeking asylum. We want to remain with the Indonesian society. We do not want to go abroad," Mariano Lopez, a student at Brawijaya University in Malang, East Java, said.

Lopez said he did not fear arrest as "that is already a risk that we have to face." Indonesia invaded the former Portuguese colony of East Timor on December 7, 1975 and annexed it the following year. The United Nations does not recognise the annexation and still regards Lisbon as the administrative authority.

Foreign ministry spokesman Ghaffar Fadyl said Friday the demonstrators would "be subject to the usual procedures" when they left the compounds, adding that 19 people who were arrested outside the French embassy Thursday in connection with the East Timor protests had been released.

There was no word about a lone protestor who was detained outside the Thai embassy the same day and Fadyl did not give any more details of the release.

Princen, who brokered an accord in July 1993 to send East Timorese asylum seekers who occupied the Swedish and Finnish embassies to Portugal, said he would try to ensure that everything was done according to the law.

At the Dutch embassy, 58 protestors continued their protest, demanding a referendum on self-determination for East Timor, the withdrawal of Indonesian troops from the troubled territory and the release of all political prisoners there.

Deputy chief of the Dutch mission, Dick den Haas, said: "Our situation has not changed, the people in our premises have specific demands so the same formula (for them to leave) is not yet applicable."

Den Haas said the embassy was pushing for an option "which safeguards the protection of these people" but he did not elaborate.

The embassy would provide "normal humanitarian care" to the protestors, including food, drink and shelter, Den Haas said, following a late Thursday attempt by pro-government demonstrators to storm the compound to confront the free East Timor supporters.

Ambassador Paul Brouwer and two other diplomats were injured in the attempted break-in. Princen, who met the Dutch ambassador during Friday's negotiations, said Brouwer had received a wound to the back of his head when he "was hit with an iron bar."

Laos

'Press Release' Issued on Cambodian King's Visit

BK1012160895 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 10 Dec 95

[Unattributed "press release" issued in Vientiane on 10 December — read by announcer]

[FBIS Translated Text] 1. At the invitation of His Excellency [H.E.] Nouhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], and his wife, His Majesty King Norodom Sihanouk, king of the Kingdom of Cambodia, and his wife, Queen Norodom Monineat Sihanouk, paid a state visit to the LPDR from 7 to 10 December 1995.

2. H.E. Nouhak Phoumsawan and his wife; members of the National Assembly Standing Committee; members of the government; military and police officers; civilian employees of the government; and residents of the capital, Vientiane, received His Majesty King Norodom Sihanouk, his wife, and the high-level delegation of the Kingdom of Cambodia upon their arrival at Wattai International Airport.

3. H.E. the LPDR president and his wife hosted a banquet in honor of their majesties the king and queen of the Kingdom of Cambodia at the National Assembly Building.

4. H.E. LPDR President Nouhak Phoumsavan and his wife called on King Norodom Sihanouk and Queen Norodom Monineat Sihanouk. H.E. Nouhak Phoumsavan expressed his great pleasure and honor to have the opportunity to welcome King Norodom Sihanouk, an intimate and respected friend of the Lao people; his wife; and the brotherly Cambodian guests.

During the meeting, which proceeded amid an atmosphere of profound fraternal friendship, the two heads of state unanimously agreed that the longstanding traditionally fine and friendly relations between the Lao and Cambodian peoples and cooperation between the two countries have been improved and increased in many fields following the state visit to the Kingdom of Cambodia by H.E. Nouhak Phoumsavan and his wife in June. On this occasion, the two heads of state also acclaimed the achievements of the Lao-Cambodian and Cambodian-Lao Cooperation Commissions in promoting the exchange of visits between delegations at various levels and agricultural, forestry, cultural, and sports cooperation between the two countries. The two heads of state also praised the Bilateral Joint Border Commission for working out the principles and work procedures for solving the border technical problems in line with the common aspirations of the two heads of state.

During the meeting, the two heads of state proudly took note that the neighborly relations between Laos and Cambodia throughout history and their brilliant fraternal ties are rich in the spirit of mutual assistance and sympathy. The two heads of state emphasized that the continuation, preservation, and expansion of the friendly relations and cooperation between the two countries is conducive to the interests of the peoples of the two countries and contributes to the tasks of peace, stability, and cooperation in the region and the world. H.E. Nouhak Phoumsavan expressed his high admiration and assessment of the patient and tireless endeavors made by His Majesty King Norodom Sihanouk, in his capacity as the father of the nation, to secure national reconciliation for Cambodia, the well-being of the people, and the prosperity of the Kingdom of Cambodia. His Majesty King Norodom Sihanouk expressed his utmost warm admiration for the progress and continuous and praiseworthy [word indistinct] of the LPDR in national reconstruction and socialist construction under the correct leadership of the Lao People's Revolutionary Party.

5. H.E. Khamtai Siphandon, prime minister of the LPDR, and his wife paid a courtesy call on their majesties the king and queen of the Kingdom of Cambodia at the Hokham Presidential Palace and accompanied them to pay homage at That Louang Pagoda in Vientiane Municipality. Their majesties the king and queen presented a Buddha image to the chairman of the Lao Buddhist Fellowship for enshrinement at the temple for the Lao people to worship.

6. H.E. Saman Vi-gnaket, chairman of the National Assembly, and his wife also paid a courtesy call on His Majesty King Norodom Sihanouk and his wife at the Hokham Presidential Palace. His Majesty King Norodom Sihanouk and his wife also granted audiences to a delegation from the Lao-Cambodian Friendship Association led by the chairman of the association and Cambodian residents in Laos, including family members of Mom Manivan [not further identified].

7. During the state visit to the LPDR, His Majesty King Norodom Sihanouk, his wife, and the high-level Cambodian delegation laid wreaths at the Monument of Unknown Soldiers and visited ancient shrines, handicraft production bases, and cultural places in the capital, Vientiane, as well as Luang Prabang.

8. The two sides expressed their satisfaction with the trend toward the strengthening of peace, stability, friendship, and cooperation among the nations in Southeast Asia and their determination to continue, promote, and widen friendly and good- neighborly relations with all countries in the region based on the principles of peaceful coexistence.

9. The two heads of state praised the signing of the Friendship and Mutual Assistance Treaty between the LPDR and Kingdom of Cambodia by the foreign ministers of the two countries as a blessing for this historic visit.

10. The two sides agreed that the state visit by His Majesty King Norodom Sihanouk and his wife to the LPDR is an important historic event marking the continuous expansion of the friendly and fraternal relations and time-honored good cooperation between the countries and peoples of Laos and Cambodia.

11. His Majesty King Norodom Sihanouk, king of the Kingdom of Cambodian, and his wife expressed their profound gratitude and utmost affection to H.E. Nouhak Phoumsavan, president of the LPDR, his wife, the government, and heroic Lao people for the warm, grand, joyful, beautiful, most impressive, generous, and friendly reception accorded to them and the high-level Cambodian delegation during the visit.

Vientiane 10 December 1995

Philippines

Suspected Abu Sayyaf Safehouse in Manila Raided

BK1012082495 Hong Kong AFP in English
0658 GMT 10 Dec 95

[FBIS Transcribed Text] Manila, Dec 10 (AFP) — Seventeen people were arrested in a raid on a suspected Muslim extremist hideout here, as police in the southern Philippines went on alert for another possible attack by Muslim terrorists, officials said Sunday.

The 17, including a Muslim policeman, were arrested and illegal drugs and an arms cache seized when police, the military and agents of the Justice Department raided the suspected safehouse of the Abu Sayyaf group in a Muslim quarter of a Manila suburb on Saturday.

Also seized were an amount of marijuana and metamphetamine hydrochloride, a banned drug popularly known as "shabu", as well as several firearms.

One police official said at least four pistols, two assault rifles, two shotguns as well as ammunition and bulletproof vests were seized, although another official put the numbers at six pistols and three assault rifles.

The 17, who are mostly Muslim, include a policeman assigned to the national police headquarters, and all are under investigation.

Some police officials said the suspects could be engaged in drug- pushing and gun-running purely for profit but others would not rule out the possibility that they were planning something bigger.

This could include even the disruption of the Philippines' hosting of the Asia-Pacific Economic Cooperation (APEC) forum summit next year, they suggested.

Security forces in the country have been on alert for any possible threat to the summit, scheduled for November, but have not announced whether any clear threat had emerged.

Intelligence sources said last week that two foreign terrorists had slipped into the country to make contact with the Abu Sayyaf but it was not clear if this was linked to the APEC summit.

A suspected communist insurgent was arrested last week on suspicion he was raising money for a destabilization campaign that would include the disruption of the summit.

Meanwhile, military and police forces in the west of the southern province of Zamboanga del Sur went on alert on Saturday after about 100 armed Muslims, suspected to be Abu Sayyaf members, were sighted onboard five boats in the waters close to the town of Ipil.

Police officials in that province said they did not want to take chances especially after the Abu Sayyaf led Muslim gunmen in pillaging Ipil town in April, leaving about 50 dead.

The Abu Sayyaf is a Muslim fundamentalist terrorist group, based in the southern Philippines, which is believed to have links to foreign Muslim extremists including Ramzi Ahmad Yusuf, alleged mastermind of the World Trade Center bombing in 1993.

Yusuf was in this country earlier this year and is suspected of planning attacks against visiting Pope John Paul II as well as Western airliners and embassies.

Although the main Muslim insurgent faction has signed a ceasefire with the government to negotiate for autonomy, the Abu Sayyaf is not covered by the agreement.

Thailand

Amnuai Cautions U.S. on Antidumping Tariffs

BK0912120495 Bangkok BANGKOK POST in English 9 Dec 95 p 26

[Report by Chatrudi Thepharat and Phutsadi Arunmat]

[FBIS Transcribed Excerpt] The United States should be careful about imposing anti-dumping tariffs on Thai exports of canned pineapple because an American manufacturer, Dole, plays a prominent role in the Thai industry, according to Deputy Prime Minister Amnuai Wirawan.

Thai pineapple canneries may face tariffs ranging from 1.73% for Dole to 51.16% for Siam Agro-Industry Pineapple and Others Co depending on the level of alleged dumping and product categories.

The US Commerce Department announced the tariffs in June, but Mr Amnuai said Washington was reviewing the issue and its decision was likely to be known in the middle of next year. [passage omitted]

He said the anti-dumping measures might not greatly affect sales of canned pineapple to the US as Thailand's production was down this year and the European Union remained a major market.

Thailand earned about 8.7 billion baht from exports of pineapple products last year. The figure is likely to drop to six billion baht this year owing to the drop in production. [passage omitted]

F-18 Purchase 'May Be Scrapped' Without System

BK1012092195 Bangkok THE SUNDAY POST in English 10 Dec 95 p 1

[Unattributed report]

[FBIS Transcribed Text] Air Force's plan to spend 18 billion baht on a squadron of highly-sophisticated F-18 jet fighters may be scrapped after fears the US will not supply a state-of-the-art missile system with them.

The US decision not to supply the Advanced Medium Range Air-to-Air Missile [AMRAAM] system was recently conveyed by the State Department, and it goes against the key condition of the Air Forces' acquisition plan.

Earlier this year an Air Force selection committee decided to add a squadron of F-18 Hornet aircraft to its fleet of jet fighters.

Air Force Commander-in-Chief Siriphong Thongyai repeatedly stated the planes — which each cost US$35 million — must come fully equipped with advanced weapons and an electronic system.

Military sources said the US State Department had told the Air Force the US was willing to sell the two-engined jet fighters — but the AMRAAM system would be provided to Thailand only when the kingdom faced "an imminent security threat."

The Air Force wanted AMRAAM as it is considered to be the one of the most sophisticated missiles ever made.

Sources said the Air Force might now opt for another type of plane.

M.R. [Mom Ratchawong — royal title] Siriphong said there would be no deal without the AMRAMM system and Air Force sources said this position has been reiterated.

One senior Air Force source said the State Department's notification was not considered formal and it was hoped the reply was a negotiation tactic.

The US had earlier refused to sell Malaysia the plane, but later agreed to sell eight jets after Kuala Lumpur bought a squadron of MiG-29 jets from Russia, the source said.

The Air Force was now waiting for a formal reply from the US Government before deciding whether it would opt for other choices, the source said.

Apart from F-18s, the Air Force is also looking at the French-made Mirage 2000, Russia's Mig-29 Fulcrum A and Su-35 Super Flanker, the source said.

The Air Force had preferred the F-18s because they had two engines and were suitable for territorial waters protection the mission the planes will be used for.

Pilots could fly more confidently in F-18s because it, unlike other jet fighters, they have two engines, a senior Air Force officer said.

'Decay' of Cambodia's Political Situation Viewed

BK1112074295 Bangkok BANGKOK POST in English 11 Dec 95 p 4

[Editorial: "PM Hun Sen's Threats Bode Ill For Democracy"]

[FBIS Transcribed Text] The continuing decay of Cambodia's political situation and atmosphere is as troubling as it is baffling. There are signs of major problems brewing on the confusing Phnom Penh political scene. King Norodom Sihanouk has openly predicted the imminent end of both democracy and monarchy in his fragile nation. The country's only opposition political party has been banned. Tanks recently called out to augment security checks have been recalled to the barracks, but police patrols have been stepped up. The current edition of the PHNOM PENH POST claims in a front-page analysis that people "are afraid to say what they think."

At the centre of these difficulties is Second Prime Minister Hun Sen. In recent weeks, he has claimed to have uncovered the plot to kill him by Prince Norodom Sirivut, King Sihanouk's brother and a former minister of foreign affairs. Prince Sirivut also just happens to be leader of the banned opposition party. There are few in Phnom Penh who believe he was involved in any plot to murder Hun Sen.

The second premier also has heatedly attacked foreign missions to Phnom Penh, because they have questioned the government's human rights record, including the arrest of Sirivut. Hun Sen and aides have threatened to call on mobs to attack the US and French embassies. Last weekend, in a rambling and almost incoherent 90-minute radio address, he denied making the threats. Any future violence, he went on, would be the fault of reporters who misinterpreted him. This, despite a specific threat by his own adviser Om Yintieng to raise a million-person "patriotic movement" to attack embassies in Phnom Penh.

What is clear among the claims, counter-claims and violence is that the "Phnom Penh Spring" of 1993 has ended. The brief and fleeting flush of open elections and idealism is over — if indeed it ever truly began. The result of the expensive United Nations' effort is now clear. Claims the UN had manufactured a democratic nation from the ashes of Khmer Rouge and Vietnamese brutality to Cambodia were untrue when they were made. For the past two years, the facade has been stripped away brutally. Newspapers have been sacked and their editors killed in broad daylight. Opposition politicians have 'been attacked, killed, and exiled. The death threat has become as common as the greeting card.

Hun Sen has angrily reached into the worn bag of dictator's excuses for all of this. The arrest of Prince Sirivut, the human rights violations, the corruption and death threats and attacks on freedom of speech are all, he claimed, "the internal affairs of Cambodia." He appeared to withdraw his threat to attack US and French compounds in Phnom Penh, but repeated his harsh criticism of envoys and other officials from these and other countries.

He is simply wrong that all of Cambodia's violence and problems are an internal matter. In the first place, the United Nations, Cambodia's neighbours and other friends of the Khmer people have a vital stake in the country's future. A stable Cambodia is important to all of Southeast Asia, and of the world. Just 10 years ago, Thailand and Vietnam were at loggerheads over that country, and China was actively supporting the Khmer Rouge.

These and many other countries have struggled mightily to give the Cambodian people a chance at a democratic and secure future. Without such an effort, neither these nations nor Southeast Asia could have advanced so tremendously. Hun Sen should think again if he believes the world or his own neighbours will stand by to watch Cambodia sink once again into a cesspool of violence. It is only in recent years that the region has been able to overcome the results of the Khmer Rouge victory in 1975, and the subsequent Vietnamese invasion in 1979.

On the contrary, it seems clear the current Phnom Penh regime is not committed to building an open, free and democratic nation. Friends of Cambodia must impress upon Hun Sen, First Premier Norodom Ranariddh and others their responsibility to ensure the safety of their citizens. This includes our own Thai diplomats who deal with Cambodian and Southeast Asian interests.

The Cambodian regime has frequently asked for membership in the Association of Southeast Asian Nations. ASEAN leaders should mention at their summit this week the need for stability. When Cambodian citizens fear to speak their minds, as they now do, there is something very wrong with the politics of that country. We all have an interest in a durable and free Cambodia.

Swedish Shipbuilder on 'Unfounded Allegations'

BK1012073195 Bangkok BANGKOK POST in English 9 Dec 95 p 1

[Report by Soemsuk Kasitpradit]

[FBIS Transcribed Text] Kockums should not be barred from bidding for a submarine order on the basis of unfounded allegations, the Swedish shipbuilder said yesterday.

Any such attempt by the Government would be unfair, the company said in response to Defence Minister Chawalit Yongchaiyut's recommendation that its exclusion would lay bribery allegations to rest.

Company spokesman Thomas Arosenius said senior executives were upset with the latest developments in Thailand, not least Gen Chawalit's remarks.

Kockums has been accused by Henrik Westander, a Swedish peace activist, of having bribed Prime Minister Banhan Sinlapa-acha, his Chat Thai Party or senior party members to help it secure a 17- billion-baht order for two diesel attack submarines.

"Mr Westander and the Swedish peace movement must be held responsible for this," said Mr Arosenius said. "He is a big liar as his bribery allegations so far have not been supported by any strong evidence."

Kockums executives were concerned the allegations by the researcher with the renowned Swedish Peace and Arbitration Society could damage the company's chances in winning the order.

If Kockums was excluded from the contest, "we will have to fight to get back into the race", said Mr Arosenius. "We know that we have not done anything wrong. We are innocent."

Kockums, which had the best submarine system for the Royal Thai Navy's needs, would produce evidence to show Mr Westander to be a "big liar", said the spokesman.

"We will prove by next week that what he has said over the bribery allegations is totally unfounded and a lie," said Mr Arosenius.

He declined to say, however, if the promised evidence would include company expenditure figures for early 1995, when the bribe was alleged to have paid before the July 2 general election.

Welcoming Mr Banhan's decision to ask Sweden to investigate Mr Westander's allegations, he said Kockums would cooperate fully to clear up the matter.

But when asked why Kockums had not released its expenditure figures during the period in which the bribe was said to have been paid, Mr Arosenius said it was up to Mr Westander's duty to back his allegations.

"We ask him to prove his allegations with evidence but he could not provide any," he said.

Kockums had already consulted its lawyers about suing Mr Westander and the peace society.

Mr Arosenius did not rule out the possibility the allegations were born of a business conflict with other companies vying for the contract. He said he was in close contact with Supridi Siphadung, Kockums's representative in Thailand.

The allegations had damaged the company in terms of credibility and image, he said. "We will fight back and are hopeful that our reputation will be restored soon."

Kockums found an ally in its objection to Gen Chawalit's recommendation in Deputy Prime Minister Thaksin Chinnawat, who said the firm should not be barred because of unproven allegations.

Bids should be assessed on the basis of specifications, he said, but conceded the decision lay with the Defence Ministry.

Suwat Liptaphanlop, chairman of the House Foreign Affairs Committee, said all parties concerned should carefully consider the issues before deciding whether to exclude Kockums.

"If it is found the company did offer bribes to certain members of the Government, it should be blacklisted," he said. "But it should have the right to tender bids once cleared of the allegations," said Mr Suwat.

The Prime Minister declined to comment on Gen Chawalit's recommendation .

Mr Banhan reaffirmed he had ordered the Foreign Ministry to ask the Swedish government for evidence about the allegations.

Vietnam

Cuba's Fidel Castro Arrives for Visit 8 Dec

Given 'Red-Carpet' Welcome

BK0812153895 Hanoi VNA in English 1519 GMT 8 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec. 8—President of the state and government council of Cuba, Mr. Fidel Castro Rus, was given red-carpet welcome at the Presidential Palace when he arrived here this afternoon by Party General Secretary Do Muoi, President Le Duc Anh and Prime Minister Vo Van Kiet.

Mr. Fidel Castro, who is also first secretary of the Communist Party of Cuba's Central Committee, is leading a delegation of high ranking Cuban state, Government and party officials on a five-day official visit to Vietnam.

The Cuban guests were greeted at the Noi Bai International Airport by secretary of the Communist Party of Vietnam Central Committee Ha Dang, Director of the Presidential Office Nguyen Viet Dzung, Minister of Agriculture and Rural Development Nguyen Cong Tan and Vice Foreign Minister Nguyen Dinh Bin.

At the reception followed the welcome ceremony, General Secretary Do Muoi, on behalf of the Communist Party, State and people of Vietnam, warmly welcomed President Fidel Castro Rus, a close friend of the Vietnamese people. He said that this visit, the second to Vietnam by Fidel Castro, will be a great encouragement to the Vietnamese people who is on the way towards modernisation and industrialisation and a milestone in the relations between the two parties, states and peoples of Cuba and Vietnam.

Expressing his pleasure at visiting Vietnam, President Fidel Castro Rus said he believed that the friendship and bilateral cooperation will be further developed and that the Vietnamese people will attain bigger achievements in their national construction and development.

In the afternoon, President Fidel Castro called on Mr. Pham Van Dong, advisor to the Central Committee of the Communist Party of Vietnam. The two sides shared wish for further development of the traditional friendship, fraternal solidarity and fine cooperation between the parties, governments and peoples of Vietnam and Cuba.

In the evening, a state banquet was given in honour of President Fidel Castro and his entourage by the Vietnamese party and Government leaders. Party General Secretary Do Muoi, State President Le Duc Anh, Prime Minister Vo Van Kiet, NA [National Assembly] Chairman Nong Duc Manh were among those attending the banquet.

Welcomed by Hanoi Residents

BK0912122295 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 8 Dec 95

[FBIS Translated Excerpt] Dear friends; Today the whole of Hanoi was joyfully prepared for the reception of Comrade President Fidel Castro Ruz, first secretary general of the Communist Party of Cuba and president of the Council of State and president of the Council of Ministers of the Republic of Cuba, who arrived in Hanoi this afternoon [8 December] for a visit to Vietnam.

In the public square outside the Presidential Palace and in major streets in the capital city, including the expressway between Noi Bai Airport to Hanoi, Vietnamese and Cuban national flags waved in the sun alongside banners saying: Heartily Welcome Comrade Fidel Castro, First Secretary General of the Communist Party of Cuba and President of the Council of State and President of the Council of Ministers of the Republic of Cuba, on his Vietnam Visit.

Hanoi residents gathered in large numbers along the roads around the Noi Bai Airport and the Presidential Palace areas with flags and flowers in their hands, while their faces expressed the joy of welcoming again a close friend of the Vietnamese people, the respected leader of the brotherly Cuban people, and a friend who has always been close to the Vietnamese people during the struggle for the revolutionary cause, which both peoples pursue.

At 1500 [Hanoi time] sharp, President Fidel Castro's private plane landed at the Noi Bai Airport. Clad in his familiar olive- green army uniform, President Fidel Castro smiled on stepping down from the plane, while the people present hailed: Viva Cuba, Viva Fidel.

Comrades Hong Ha, secretary of the party Secretariat and director of the party Central Committee External Relations Department; and Nguyen Viet Dung, head of the Presidential Office, welcomed and embraced President Fidel Castro as soon as he stepped off his plane for his second Vietnam visit. [passage omitted on statements by some Hanoi residents who came to welcome the Cuban leader]

At 1600 [Hanoi time] sharp, President Fidel Castro's motorcade escorted by two lines of motorcycles stopped in front of the Presidential Palace, where the official reception took place. Comrades Do Muoi, general secretary of the Communist Party of Vietnam; President Le Duc Anh; and Prime Minister Vo Van Kiet were at the door of the car to welcome President Fidel Castro. Hanoi girls in their traditional Ao Dai presented President Fidel Castro a bouquet of fresh flowers, a symbol of the hospitality of the capital city's people.

After the ceremony saluting the national flags, Comrade party General Secretary Do Muoi invited President Fidel Castro to review the honor guards of the Vietnam People Army and to be introduced to Vietnamese high ranking party and state cadres, and representatives of mass organizations and agencies at the central level as well as of Hanoi City.

At the reception hall in the Presidential Palace, party General Secretary Do Muoi and other leaders of the party and state had a friendly talk with President Fidel Castro. Party General Secretary Do Muoi said:

[Begin Do Muoi recording in Vietnamese] The whole party, Army, and people happily welcome our comrade on his visit to Vietnam. Twenty years ago, you visited Vietnam while our fight against America for national salvation was at a critical period. It can be said that the visit was a great encouragement that helped us strengthen our determination to defeat the American invaders [end recording].

President Fidel Castro said:

[Begin Castro recording in Spanish with superimposed translation into Vietnamese] It is my great honor to have this opportunity to meet you, friends, and to visit brotherly Vietnam, a country for which I have always had special sentiments and passions. I am greatly honored to have shaken hands with Comrade Do Muoi, Comrade Le Duc Anh, and Comrade Vo Van Kiet. I can say that I was a most happy man when I received the news of Vietnam's victory [end recording].

Dear friends, for a very long time our Vietnamese hearts have always turned to the liberated country of Cuba, situated as it is in the Western hemisphere. Though half the globe away from each other, Vietnam and Cuba are attached to each other by the revolutionary cause and by ardent and loyal fraternal love. We can never forget Cuba's valuable and selfless assistance to our revolutionary undertaking in the past as well as at present, which is reflected in the well-known statement by Fidel Castro: For Vietnam, Cuba is ready to give its own blood. Cuba is the first country to appoint a regular ambassador with the provisional government of the Republic of South Vietnam. The images of the visit by Comrade Fidel Castro to the liberated zone in Quang Tri in September 1973 and of him waving the flag of the National Liberation Front of South Vietnam are symbols of the determination in victory of the Vietnam revolution. [passage omitted on recorded statement by Cuban journalist escorting Fidel Castro]

Honored With 'Solemn Banquet'

BK1112103295 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Dec 95

[Unattributed report on state banquet held in honor of Fidel Castro in Hanoi on 8 Dec]

[FBIS Translated Text] Dears friends: Our party, state, and government leaders held a solemn banquet in Hanoi this evening in honor of President Fidel Castro and his entourage on their official friendship to our country. They had arrived in Hanoi this afternoon.

Attending the banquet, on the Vietnamese side were General Secretary Do Muoi, President Le Duc Anh, Prime Minister Vo Van Kiet, National Assembly Chairman Nong Duc Manh, and many other high-level leaders. On the Cuban side were President Fidel Castro; Jose Luis Rodriguez Garcia, vice president of the Council of Ministers and minister of economy and planning; Jose Miyar Barruecos, minister secretary of the Council of State and member of the Central Committee of the Cuban Communist Party [CCP]; and (Felicet Rauket Peres) member of the CCP Central Committee and member of the Cuban Council of State; and other members of the entourage.

In his speech delivered at the banquet, General Secretary Do Muoi heartily welcomed the second visit to Vietnam by President Fidel Castro. He said the visit brings great encouragements and the spirit of independence, sovereignty, and self-reliance to the Vietnamese people for our undertaking of a prosperous population, powerful nation, and equitable and civilized society.

General Secretary Do Muoi expressed his appreciation of the precious assistance given by the fraternal Cuban party, state, and people to the Vietnamese people in periods of both war and peace contained in President Castro's famous statement: For Vietnam, Cuba is ready to donate its own blood. General Secretary Do Muoi said:

[Begin Do Muoi recording] Cuba is a brilliant beacon in Latin America. The Cuban people are a model of the spirit of indomitability, steadfastness, and bravery. They have voluntarily sacrificed themselves for independence, freedom, and socialism as well as for a just cause and human dignity. They have set up an exemplary case for revolutionary heroism. In its 36 years of existence, especially in the last few years, the Republic of Cuba has experienced numerous difficulties and challenges and encountered uncountable dangerous situations. Cuba, however, is still proudly standing firm and developing.

We are very happy to know that under the leadership of the CCP and Fidel, the fraternal Cuban people have gradually overcome the extremely harsh difficulties of the special period from the end of 1994 and have recorded modest but very important economic gains. We hold that the United States' hostile policy and the continuation of the outdated embargo against Cuba must be ended immediately for the benefit of the Cuban and American people and for peace, stability, and cooperation in the Caribbean and Latin American regions. We sincerely hope that the Cuban people, under the CCP leadership led by Comrade Fidel Castro, will overcome all obstacles and continue to record greater achievements in their undertaking of national protection and construction. [end recording]

Comrade General Secretary Do Muoi also introduced the Vietnamese achievements recorded in our renovation, together with the challenges that the Vietnamese people must determinedly overcome on the socialist path of Marxist-Leninism and the thoughts of Ho Chi Minh and Hose Marti. Regarding Cuba-Vietnam relations, Comrade General Secretary Do Muoi said:

[Begin Do Muoi recording] Despite the geographical distance, the peoples of our two countries have met and bonded together in striving to transform the noble ideas of Ho Chi Minh and Hose Marti into reality. We have just marked the 35th anniversary of the establishment of Vietnam-Cuba diplomatic relations. Through the tests of time and life, the Vietnam-Cuban unity, friendship, and cooperation have incessantly consolidated and developed on the basis of total mutual trust and support. Together, we are to protect that precious heritage for the benefit of the peoples of the two countries and for peace, development, and cooperation in Southeast Asia, Latin American, and the world.

We consider our participation in the protection of the Cuban revolution and the construction of the Cuban nation is our responsibility and sacred duty. The Vietnamese party, government, and people have been and will be doing their best for the unity and support of Cuba and its assistance.

The official friendship visit to Vietnam by Comrade Fidel is an historic event, marking a higher developing step in the fraternal, united, and friendship relations between Vietnam and Cuba and will contribute to the revolutionary undertaking in each of our countries. [end recording]

In his reply to General Secretary Do Muoi, President Fidel Castro expressed his joy at his second visit and the great changes in Vietnam after his first visit 22 years ago.

He said: [Begin Castro recording in Spanish fading into Vietnamese translation] I arrived in Hanoi today at a different airport from the one I landed in 22 years ago, but I can still recognize that it is Hanoi. The first time when I was here, I had to cross an iron bridge, which was later destroyed by the U.S. bombing, into town. I remember, while on a flight over the central region of Vietnam, I looked down and saw hundreds of potholes left by the bombings on both sides of every bridge. [End recording]

President Fidel Castro was moved when he recalled his experiences during his last visit to Vietnam. He had witnessed the Vietnamese people's heroic struggle in the resistance war against the U.S. for national salvation. He shared with the Vietnamese people and combatants the difficulties and hardships of the war when he was crossing the 17th parallel in Vietnam. He said:

[Begin Castro recording] I had the chance to talk to comrade Pham Van Dong. The situation then was very tense and comrade Pham Van Dong was crying when he told me that hundreds of thousands of Vietnamese youths had already sacrificed their lives in the struggle. However, the Vietnamese people still had to be very patient. I think that was one of the saddest moments in my life. I later told many of my friends on what I had seen in Vietnam. [End recording]

President Fidel Castro highly appraised the significant victory recorded by the Vietnamese people through the signing of the Paris Peace Accord just before he visited Vietnam in 1973. He asserted that it was the greatest achievement of mankind because no one could imagine that a small and poor country that was greatly devastated like Vietnam could defeat a big imperialist country which had all the sophisticated and modern weaponry, and force them to leave Vietnam. He said Vietnam's victory in the war was meaningful to Cuba because the United States is a persistent threat to the Cuban revolution. President Fidel Castro said:

[Begin Castro recording] It can be said that Cuba is only a few inches away from the United States. This is because the United States has military and naval bases in Guantanamo right on Cuban territory. As a result, the Vietnamese people's struggle has a positive effect on Cuba. It could be said that the kind of war waged by the United States in Vietnam, if it had not been defeated, could have taken place in Cuba, or in any other Asian, African, and Latin American country. At present, we must still continue our struggle against the trend of hegemony and the concepts that endanger the sovereignty of nations. [End recording]

President Fidel Castro then expressed his delight at the achievements of the Vietnamese people in their national reconstruction especially in the political, economic, cultural, and diplomatic sectors. He expressed his belief that the Vietnamese people's struggle for national reconstruction will be crowned with fine success, thereby setting a good example for Cuba and other countries the world over.

9 Dec Morning Activities Noted

BK0912090495 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 9 Dec 95

[FBIS Translated Text] This morning party General Secretary Do Muoi held talks with President Fidel Castro. Present on the Vietnamese side were President Le Duc Anh, Prime Minister Vo Van Kiet, Foreign Minister Nguyen Manh Cam, and many other party and state leaders. Present on the Cuban side were the comrades: Rodriguez Garcia, vice president of the ministers council; Miyar Barruecos, minister of the state council; (Edende Karen), deputy minister of foreign relations; and other delegation members.

Before the meeting, President Fidel Castro and his entourage laid a floral wreath at the monument for war heroes in Bac Son Street, with the wording: With respect to the Vietnamese heroes and war martyrs. After that President Fidel Castro paid a floral tribute at the mausoleum of President Ho Chi Minh and visited the living quarter and offices of the late president. The label on the wreath reads: With respect to President Ho Chi Minh. At the house, erected on stilts, where President Ho Chi Minh used to live and work, President Fidel Castro left these sentiments in the book of remembrance: Eternal glory belongs to President Ho Chi Minh, whose noble causes are admired not only by the Vietnamese people but by all other peoples of the world.

Meets With Do Muoi, Visits Plant

BK1012143095 Hanoi Voice of Vietnam in English 1000 GMT 10 Dec 95

[FBIS Transcribed Text] The visiting Cuban party and government delegation led by President Fidel Castro on Sunday visited the Hoa Binh Hydroelectric Power Plant.

Earlier, on Saturday, at the high-level talks between the two countries, Vietnamese party General Secretary Do Muoi informed President Castro of the situation and achievements in the renovation process of Vietnam as well as challenges of the country. He also informed the guests of preparations for the coming eighth national party congress which, he said, will work out orientations and tasks for Vietnam in the new stage. Mr. Do Muoi thanked the Cuban party, government, and people for their precious support and assistance to Vietnam in the past, especially in national construction and defense.

For his part, President Fidel Castro expressed his warm sentiment and aspiration at the great achievements recorded by Vietnam in the renovation process. He expressed profound thanks to the Vietnamese party, government, and people for their political and spiritual support and assistance to the Cuban people in their national construction and defense, particularly in the current difficult time of the Cuban people.

The Vietnamese and Cuban leaders expressed satisfaction at the fine development of bilateral friendship and cooperation.

In the afternoon, President Fidel Castro and his entourage visited the Duc Giang Garment Company and Da Ton Commune of Hanoi's outlying district of Gia Lam.

Leaves Hanoi for Ho Chi Minh City

BK1112114895 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 10 Dec 95

[FBIS Translated Text] A solemn ceremony was held at the Presidential Palace in Hanoi this afternoon, 10 December, to see Cuban President Fidel Castro off to Ho Chi Minh City. On hand to bid farewell to President Fidel Castro were party General Secretary Do Muoi, President Le Duc Anh, and Prime Minister Vo Van Kiet.

Before departing, President Fidel Castro said: I am very pleased and happy to have the chance to visit Vietnam. I am very encouraged by the achievements of Vietnam in the past. My visit this time has impressed me very much especially in seeing the Vietnamese people's laborious spirit. We have also learned from the Vietnamese people's experiences in their socialist construction. We are very pleased to have the chance to meet with leaders of Quang Tri and Quang Binh Provinces. I sincerely thank the people of these two provinces for their warm welcome and hospitality extended to me and my entourage. We are determined to continue our struggle to the end and we believe that we will achieve victory.

In his reply, party General Secretary Do Muoi asserted the Vietnamese people's solidarity with and friendship with the fraternal Cuban people. He stressed: Vietnam always stands side by side with the Cuban people. We wish the Cuban people success in overcoming all difficulties and victory in building socialism.

Thousands of people in Hanoi lined up the streets, waving flags to bid farewell to President Fidel Castro and the distinguished Cuban guests.

Earlier in the morning, President Fidel Castro and his entourage visited the Hoa Binh Hydroelectric Power Plant and a section of the North-South 500-kilovolt power line. Accompanying President Fidel Castro on the trip were party General Secretary Do Muoi, people of Hoa Binh City, and cadres and workers who built the power line. Cadres, workers, and personnel of the Hoa Binh Hydroelectric Power Plant warmly welcomed President Fidel Castro and the Cuban guests.

Talks With Nguyen Van Linh

BK1112134595 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 10 Dec 95

[FBIS Translated Text] The Cuban party and state delegation led by President Fidel Castro arrived in Ho Chi Minh City yesterday afternoon [10 December] to continue its official friendship visit to Vietnam.

On hand to welcome the Cuban delegation at the airport were comrade Vo Tran Chi, member of the party Central Committee Political Bureau and secretary of the City Party Committee; Truong Tan San, member of the party Central Committee and chairman of the Ho Chi Minh City People's Committee.

Comrade Nguyen Van Linh, adviser to the party Central Committee met with President Fidel Castro yesterday evening at the Government Guest House to exchange views on various issues. Later, at 2000 on the same evening, the Ho Chi Minh City Party and People's Committees hosted a banquet in honor of President Fidel Castro and his entourage at the Unification Palace.

In a speech at the banquet, comrade Vo Tran Chi, on behalf of the City Party Committee and the city named after President Ho Chi Minh, expressed deep gratitude to the Cuban party and people for their valuable and voluntary assistance to the Vietnamese revolution.

In his reply, President Fidel Castro expressed his sincere thanks to the people for their warm welcome to the city he first visited 22 years in Vietnam.

'Pale, Tired Appearance' Noted

BK1112122595 Hong Kong AFP in English 1157 GMT 11 Dec 95

[FBIS Transcribed Text] Ho Chi Minh City, Dec 11 (AFP) — President Fidel Castro's visit to Vietnam has been noted for the Cuban leader's pale, tired appearance, which he ascribed to catching a chill while in China last week.

Castro, who turned 69 in August, has repeatedly had to be helped to walk down stairs or get out of his limousine during his five-day Vietnamese trip, which ends on Tuesday.

On several occasions he has had to reach for support from the shoulders of security escorts or [word indistinct] (?interpreter), and he has looked at times vague and indifferent to what was going on around him.

Observers here said Castro, a tall, stocky figure known for his energetic style, seemed far older on his arrival here Friday than the three septuagenarians who came out to meet him: President Le Duc Anh, Communist Party chief Do Muoi and Prime Minister Vo Van Kiet.

Castro told Do Muoi he had caught a "very heavy cold" in China, his previous port of call, and felt "very weak" that morning, although he felt better for landing in Vietnam.

Two days later, however, Do Muoi and two security personnel were needed to support Castro as he walked down the steps for a departure ceremony at the presidential palace in Hanoi.

Arriving in Ho Chi Minh City on Saturday, an unsmiling Castro was able to muster only a weak wave to salute the hundreds of young people who came out to greet him.

He seemed perkier early Monday when he visited the Cu Chi tunnels near here — the site of an underground lair used by the Vietcong guerrillas during the Vietnam War.

He cracked several jokes, and even briefly ventured into an unlit tunnel. But above ground, he had to be supported again to push his way through the undergrowth. He spoke rarely, and his voice was weak.

A trip to a free trade zone, which had been scheduled to take place early Tuesday before his departure, was cancelled without explanation.

The two-week trip to China and Vietnam, which will be followed by a brief stopover in Japan on Tuesday, is one of the longest and most arduous foreign trips made by Castro.

Editorial Views 'Solidarity'

BK0812160095 Hanoi VNA in English 1305 GMT 8 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec. 8—The Vietnamese people affirm their constant solidarity with the Cuban people in their struggle for national independence and freedom to build a prosperous country, says NHAN DAN paper in its editorial today in anticipation of the official visit to Vietnam by Fidel Castro Rus, party first secretary and president of the Council of State and the Council of Ministers of Cuba, beginning this afternoon.

The paper continues:

"Cuba is in the heart of every single Vietnamese with special warm sentiment. We are proud of having Cuba as our friend. Though it is a small country with a population of around 10 million, the Cuban people are well-known for their staunch will in the struggle for national independence and liberty and for their creativeness in national construction."

"The Cuban revolution has always firmly advanced forward, recording many achievements, which have pleased its international friends", the paper say while reviewing the ups and downs of its revolution over the past 30 years. "Although experiencing "an extremely hard time" stemming from the collapse of the former Soviet Union and other socialist countries in East Europe, who used to be its trade partners, and moreover, suffering from the US blockade and embargo against it, Cuba still overcomes those great difficulties to persist in the path of socialism."

With regard to Cuba's economic policy, the editorial says: "The country is firmly and carefully readjusting its economic policy, reforming its management mechanism and economic structure, including the application of some market-oriented measures, to maximize its human resource and restore its production. With its open-door economic policy, Cuba has boosted its international cooperation, attracting foreign investment in the country. As a result, severe hardships have been relieved."

"In the first nine months of this year, Cuba's economic growth rate stood at 2.3 percent, and farm produce supplied by the people was up by 11 percent. At present, Cuba has 212 joint-ventures with foreign partners with a combined investment capital of USD [U.S. dollar] 2.1 billion.

Commenting on the pre-eminent achievements of Cuba in social fields such as education, health care, sports, and culture, the paper goes on: "These achievements are not only maintained but are also boosted: the average life-span of the people has reached 75, and new-born mortality is below one percent."

"In the aspect of external relations, Cuba has strengthened its relations with other countries, with priority given to friendly and cooperative ties with its neighbouring Latin American countries, striving for peace, independence, and alignment for common development in the region. Its struggle against the US embargo and blockade has received more and more support from peoples across the world", the editorial says in conclusion.

'Traditional Relations' Described

BK0812135895 Hanoi Voice of Vietnam in English 1000 GMT 8 Dec 95

["Excerpts" from 8 Dec NHAN DAN editorial]

[FBIS Transcribed Text] President of the state and government council of Cuba Fidel Castro arrived in Hanoi on Friday for a five-day official friendship visit to Vietnam at the invitation of the Vietnamese party and state leaders. Major newspapers published in Hanoi on Friday frontpaged President Fidel Castro's portrait, his biography, and editorials welcoming his visit. Following are excerpts from the editorial of the leading daily Newspaper NHAN DAN.

The editorial says it is the second visit to Vietnam by the Cuban leader. The first visit in September 1973 left a deep and unforgettable impression on Vietnamese people. Following the visits to Cuba by Prime Minister Vo Van Kiet in June 1993 and President Le Duc Anh in October this year, the visit to Vietnam of President Castro is a milestone in the traditional solidarity of relations between the two parties, governments, and peoples.

The editorial continues that during the past 30 years despite numerous ups and downs, the Cuban revolution has been steadily advancing, achieving new encouraging results. Despite the collapse of the former Soviet Union and the Eastern European socialist countries, and the United States trade embargo, Cuba has been courageously confronting challenges on the way to socialism. With cautious and firm steps, Cuba has been gradually readjusting its economic policy, carrying out economic, administrative, and management reforms, with the application of a number of market-orientated measures. Cuba has also opened its economy, and stepped up international cooperation to draw foreign investment.

In the first nine months of this year, Cuban economic growth rate is at 2.3 percent, and farm produce has increased by 11 percent. Achievements are also seen in education, health, sports, and cultural services. At present, Cuba has 212 joint venture projects with foreign countries with a total capital of $2.1 billion. It is believed that Cuba will overcome its economic crisis by expanding its external relations, especially with neighboring Latin American countries, and with worldwide support it should win its struggle against the United States embargo.

The NHAN DAN Newspaper editorial went on to describe Vietnam and Cuba age-old traditional relations. The two peoples shared weals and woes, and Vietnamese people will forever bear in mind the Cuban people's precious assistance and support to Vietnamese people with the well known statement by President Fidel Castro that for Vietnam, Cuba is ready to donate its own blood. Vietnamese people will also never forget that Cuba was the first country which appointed an ambassador to the provisional revolutionary government of South Vietnam, and the image of President Fidel Castro raising the flag of the National Liberation Front of South Vietnam in Quang tri liberated zone in September 1973 was a symbol of the inevitable victory of the Vietnamese people's just cause.

The editorial in NHAN DAN, in conclusion, reaffirmed the Vietnamese people's unchanged stance to shoulder with Cuban people in their fight for the defense of independence and of building Cuba into a strong and prosperous country.

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